

Ref.No.AR\_2017-18/Filing  
18.8.2018

National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor  
Bandra-Kurla Complex, Bandra (E)  
Mumbai - 400 051  
Scrip Code: RAMCOIND EQ

BSE Limited  
Floor 25, "P.J.Towers"  
Dalal Street  
Mumbai - 400 001  
Scrip Code: 532369

Dear Sir,

**Sub : Filing of Annual Report – 2017-18 – reg.**

In terms of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report of the Company for the year 2017-18.

Kindly acknowledge receipt.

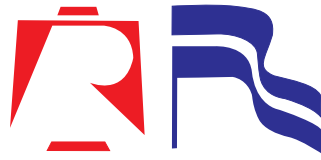
Thanking you

Yours faithfully  
For RAMCO INDUSTRIES LIMITED



S. Balamurugasundaram  
Company Secretary & SGM(Legal)

Encl.: as above



**Ramco Industries Limited**

**ANNUAL REPORT 2017 - 2018**



**SHRI. P.R. RAMASUBRAHMANEYA RAJHA**

Sridharmarakshakar, Ramco Group

*Keep on performing your duties without  
Expecting any reward in return and lead a selfless life.*

*- Bhagavad Gita*



**Board of Directors**

Shri P.R. Venketrama Raja, B.Tech., MBA  
*Chairman*  
 Shri P.V. Abinav Ramasubramaniam Raja, B.Sc. (Incl. Engg.)  
*Managing Director*  
 Shri S.S. Ramachandra Raja, B.Sc.  
 Shri K.T. Ramachandran, B.E.  
 Shri N.K. Shrikantan Raja, B.Com.  
 Shri R.S. Agarwal, B.Sc., B.E.  
 Shri V. Santhanaraman, B.Com., CAIIB  
 Smt. Justice Chitra Venkataraman (Retd.), B.A., B.L.

**Chief Executive Officer**

Shri Prem G Shanker

**Chief Financial Officer**

Shri K. Sankaranarayanan

**Secretary**

Shri S. Balamurugasundaram

**Registered Office**

47, P.S.K. Nagar  
 RAJAPALAYAM - 626 108, Tamil Nadu

**Corporate Office**

“Auras Corporate Centre”, VI Floor  
 98-A, Dr. Radhakrishnan Road  
 Mylapore, CHENNAI - 600 004  
 Tamil Nadu  
 CIN: L26943TN1965PLC005297

Website : [www.ramcoindltd.com](http://www.ramcoindltd.com)  
[www.ramcohilux.com](http://www.ramcohilux.com)

**FACTORIES**

**I. Building Products Division**

Arakkonam, Tamil Nadu  
 Bihiya, Bihar  
 Gangaikondan, Tamil Nadu  
 Karur, Karnataka  
 Kharagpur, West Bengal  
 Kotputli, Rajasthan  
 Maksi, Madhya Pradesh  
 Sinugra, Gujarat  
 Silvassa, Union Territory of Dadra & Nagar Haveli  
 Vijayawada, Andhra Pradesh

**II. Textile Division (Cotton Yarn)**

Sri Ramco Spinners, Rajapalayam, Tamil Nadu

**Subsidiary Companies**

Sudharsanam Investments Limited, India  
 Sri Ramco Lanka (Private) Limited, Sri Lanka  
 Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka

**Bankers**

HDFC Bank Limited  
 IDBI Bank Limited  
 Kotak Mahindra Bank Limited  
 Tamilnad Mercantile Bank Limited  
 Yes Bank Limited  
 ICICI Bank Limited  
 The Federal Bank Limited  
 Indusind Bank Limited  
 DCB Bank Limited  
 Bank of Bahrain & Kuwait

**Auditors**

M/s.Ramakrishna Raja And Co  
 Chartered Accountants  
 1-D, GD Apartments, 6, Shanthinikethan  
 V.P.Rathinasamy Nadar Road  
 Bibikulam, Madurai - 625 002.

M/s.SRSV & Associates  
 Chartered Accountants  
 F2, 1<sup>st</sup> Floor, B Block, Sivams Padmalaya  
 28/25, Neelakanta Metha Street  
 T. Nagar, Chennai 600 017.

**Cost Auditors**

M/s. Geeyes & Co  
 Cost Accountants  
 A-3, III Floor, 56, Seventh Avenue  
 Ashok Nagar, Chennai - 600 083.

**Secretarial Auditors**

M/s. S. Krishnamurthy & Co  
 Company Secretaries “Shreshtam”  
 Old No. 17, New No 16, Pattammal Street  
 Mandaveli, Chennai - 600 028.

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₹ in lakhs

| FINANCIAL HIGHLIGHTS                       | AS (Previous IGAAP) |         |         |         |         |         | Ind AS  |          |          |
|--|---------------------|---------|---------|---------|---------|---------|---------|----------|----------|
|  | 2009-10             | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17  | 2017-18  |
| <b>Earnings</b>                            |                     |         |         |         |         |         |         |          |          |
| Sales & Other Income                       | 54,297              | 57,788  | 70,676  | 81,054  | 69,204  | 76,095  | 78,501  | 78,530   | 82,542   |
| Operating Profit                           | 11,876              | 11,927  | 12,886  | 12,606  | 6,212   | 6,555   | 7,404   | 11,646   | 13,111   |
| Cash Generation                            | 9,754               | 9,858   | 10,624  | 9,787   | 2,846   | 3,866   | 4,660   | 9,461    | 12,213   |
| Net Profit / Loss [PAT]                    | 5,359               | 5,321   | 6,135   | 5,449   | (600)   | 2,093   | 3,333   | 5,987    | 7,205    |
| <b>Assets Employed</b>                     |                     |         |         |         |         |         |         |          |          |
| Net Fixed Assets                           | 24,335              | 25,577  | 27,491  | 35,174  | 37,573  | 37,381  | 38,976  | 39,847   | 39,855   |
| Investments                                | 20,262              | 20,262  | 20,262  | 20,316  | 20,319  | 21,316  | 23,574  | 24,126   | 25,150   |
| Other Net Assets net off other Liabilities | 15,711              | 17,776  | 21,737  | 38,465  | 30,780  | 32,717  | 26,176  | 29,880   | 25,835   |
| <b>TOTAL</b>                               | 60,308              | 63,615  | 69,490  | 93,955  | 88,672  | 91,414  | 88,726  | 93,853   | 90,840   |
| <b>Financed By:</b>                        |                     |         |         |         |         |         |         |          |          |
| <b>A. Shareholders' Funds</b>              |                     |         |         |         |         |         |         |          |          |
| Share Capital                              | 100                 | 100     | 100     | 100     | 100     | 100     | 100     | 100      | 100      |
| Bonus Shares                               | 767                 | 767     | 767     | 767     | 767     | 767     | 767     | 767      | 767      |
| Reserves and Surplus                       | 32,037              | 36,505  | 41,531  | 45,873  | 45,139  | 46,808  | 51,517  | 58,106   | 65,551   |
| Deferred Tax, Government Grants            | 2,638               | 2,408   | 2,289   | 2,019   | 1,140   | 958     | 415     | 1,267    | 3,169    |
| <b>Total Shareholders' Funds (A)</b>       | 35,542              | 39,780  | 44,687  | 48,759  | 47,146  | 48,633  | 52,799  | 60,240   | 69,587   |
| <b>B. Borrowed Funds</b>                   |                     |         |         |         |         |         |         |          |          |
| Short Term and Long Term                   | 24,766              | 23,835  | 24,803  | 45,196  | 41,526  | 42,778  | 35,927  | 33,613   | 21,253   |
| <b>Total Borrowings (B)</b>                | 24,766              | 23,835  | 24,803  | 45,196  | 41,526  | 42,778  | 35,927  | 33,613   | 21,253   |
| <b>TOTAL (A) + (B)</b>                     | 60,308              | 63,615  | 69,490  | 93,955  | 88,672  | 91,411  | 88,726  | 93,853   | 90,840   |
| Book value per share (₹)                   | 36.95               | 42.10   | 47.90   | 52.91   | 52.06   | 53.99   | 59.42   | 67.02    | 75.61    |
| Earnings Per Share (₹)                     | 6.18                | 6.14    | 7.08    | 6.28    | (0.69)  | 2.41    | 3.84    | 6.91     | 8.31     |
| Dividend Per Share (₹)                     | 0.85                | 0.90    | 1.10    | 1.10    | 0.25    | 0.30    | 0.50    | 0.50     | 0.50     |
| Dividend Payout (₹ in Lacs)                | 737                 | 780     | 953     | 953     | 217     | 260     | 433     | 433      | 433      |
| Dividend Payout Ratio %                    | 14                  | 15      | 16      | 17      | (36)    | 12      | 13      | 7        | 6        |
| Operating Profit Ratio %                   | 21.87               | 20.64   | 18.23   | 15.55   | 8.98    | 8.61    | 9.43    | 14.83    | 15.88    |
| Gross Fixed Assets Per Share (₹)           | 51.04               | 52.86   | 60.79   | 62.24   | 80.93   | 83.23   | 83.90   | 87.92    | 88.53    |
| Debt - Equity Ratio                        | 0.75                | 0.64    | 0.59    | 0.97    | 0.90    | 0.90    | 0.69    | 0.57     | 0.32     |
| Market Price of Share (₹)                  |                     |         |         |         |         |         |         |          |          |
| a. As on 31 <sup>st</sup> March* (Close)   | 57.40               | 45.95   | 44.75   | 52.70   | 37.60   | 69.65   | 91.50   | 239.20   | 229.95   |
| b. high**                                  | 73.30               | 83.35   | 46.00   | 52.90   | 61.40   | 72.00   | 93.95   | 288.30   | 325.70   |
| c. low**                                   | 48.60               | 41.60   | 44.10   | 50.10   | 29.00   | 69.10   | 90.95   | 90.50    | 212.40   |
| P/E Ratio as at 31 <sup>st</sup> March #   | 9.29                | 7.49    | 6.32    | 8.39    | (54.49) | 28.90   | 23.83   | 34.62    | 27.67    |
| Market Capitalisation@ (₹ in lacs)         | 49,744              | 39,822  | 38,782  | 45,671  | 32,585  | 60,360  | 79,297  | 2,07,298 | 1,99,282 |

\* NSE Quotations

 \*\* High & Low prices during the year ended 31<sup>st</sup> March at NSE.

 @ Based on the market price as on 31<sup>st</sup> March at NSE.

# From 2009-10, Figures relating to Shares are after Stock-Split (F.V. of each Share: ₹1/-w.e.f 16-09-2009) and 1:1 Bonus Issue. Figures have been regrouped for comparison purposes

## NOTICE TO THE MEMBERS

Notice is hereby given that the 53<sup>rd</sup> Annual General Meeting of the Company will be held at 11.00 a.m. on Friday the 3<sup>rd</sup> August 2018 at P.A.C.R.Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu to transact the following business :

### ORDINARY BUSINESS

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION :  
“RESOLVED that the Board’s Report and the Company’s Separate and Consolidated Statements of Profit and Loss for the year ended 31<sup>st</sup> March 2018, Balance Sheets as at that date and Cash Flow Statements for the year ended on that date and the Auditors’ Reports thereon be and are hereby considered and adopted.”
2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION :  
“RESOLVED that a Dividend of ₹ 0.50 per Share be and is hereby declared for the year ended 31<sup>st</sup> March 2018 and the same be paid to those shareholders whose names appear in the Register of Members and Register of Depositories as on 27<sup>th</sup> July, 2018.”
3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION :  
“RESOLVED that Shri S.S. Ramachandra Raja (DIN: 00331491) who retires by rotation, be and is hereby re-appointed as a Director of the Company.”

### SPECIAL BUSINESS :

4. To consider and pass the following Resolution as a SPECIAL RESOLUTION :  
“RESOLVED that pursuant to Section 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, Shri R.S. Agarwal (DIN 00012594), Independent Director of the Company, whose term ends on 31.03.2019 be reappointed as an Independent Director for another term of 5 years starting from 01.04.2019 to 31.03.2024.”
5. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION :  
“RESOLVED that pursuant to Section 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, Shri K.T. Ramachandran (DIN 00351334), Independent Director of the Company, whose term ends on 31.03.2019 be reappointed as Independent Director for another term of 5 years starting from 01.04.2019 to 31.03.2024.”
6. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION :  
“RESOLVED that pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules 2014 and pursuant to Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and such other applicable Regulations, approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include a Committee of the Board) for making offer(s) or invitation(s) to subscribe to Secured Non-Convertible Debentures including but not limited to subordinate debt, bonds, and/or other debt securities, etc., (hereinafter collectively referred as “Securities”) on a private placement basis, listed or unlisted in one or more tranches, during the period of one year from the date of passing this Special Resolution by the Members, upto a limit of ₹ 250 crores, within the overall outstanding borrowing limits approved by the Members.  
RESOLVED further that the Board of Directors of the Company (including any Committee thereof), be and are hereby authorised to determine the terms of the issue including the class of investors to whom such Securities to be issued, time, total amount to be raised by issuance of Securities, the number of Securities, tranches, issue price, tenor, interest rate, premium/ discount, listing and to do all such acts, deeds, filings, matters and execute all such deeds, documents, instruments and writings as may be required, with powers on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard as the Board may in its sole and absolute discretion deems fit and delegate all or any of its powers herein conferred to any director(s) and/or officer(s) of the Company, as it may in its absolute discretion deem it necessary.”
7. To consider and pass the following Resolution as an ORDINARY RESOLUTION:  
“RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 2,50,000/- (Rupees Two lakh fifty thousand only) exclusive of GST and Out-of-pocket expenses, payable to M/s.Geeyes & Co., Cost Accountants appointed as the Cost Auditors of the Company by the Board of Directors, for the financial year 2018-19 for auditing the Cost Records relating to manufacture of Fibre Cement Products (FCP & CSB) and Cotton Yarn, be and is hereby ratified.”

Place : Chennai  
Date : 24-05-2018

By Order of the Board,  
For RAMCO INDUSTRIES LIMITED,  
P.R. VENKETRAMA RAJA  
CHAIRMAN

NOTES :

- Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed hereto.
- A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and that the Proxy need not be a Member.**
- A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Attendance slip is attached. Members, Proxies and Authorised Representatives are requested to bring the duly filled-in and signed, attendance slips to the Meeting.
- The cut-off date will be 27<sup>th</sup> July 2018, for determining the eligibility to vote by remote e-voting or in the General Meeting.
- Pursuant to Rule 8 of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed/unpaid dividends lying with the Company on the website of the Company ([www.ramcoindltd.com](http://www.ramcoindltd.com)), as also on the website of the Ministry of Corporate Affairs. The dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund of the Central Government. Hence, the members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund. The details of due dates for transfer of such unclaimed dividend to the said Fund are :

| FINANCIAL YEAR ENDED | TYPE OF DIVIDEND | DATE OF DECLARATION OF DIVIDEND | LAST DATE FOR CLAIMING UNPAID DIVIDEND | DUE DATE FOR TRANSFER TO IEP FUND |
|----------------------|------------------|---------------------------------|--|-----------------------------------|
| 2010-11              | Final Dividend   | 10.08.2011                      | 09.08.2018                             | 07.09.2018                        |
| 2011-12              | Interim Dividend | 21.03.2012                      | 20.03.2019                             | 18.04.2019                        |
|                      | Final Dividend   | 02.08.2012                      | 01.08.2019                             | 30.08.2019                        |
| 2012-13              | Interim Dividend | 13.02.2013                      | 12.02.2020                             | 12.03.2020                        |
|                      | Final Dividend   | 29.07.2013                      | 28.07.2020                             | 26.08.2020                        |
| 2013-14              | Dividend         | 28.07.2014                      | 27.07.2021                             | 25.08.2021                        |
| 2014-15              | Dividend         | 23.09.2015                      | 22.09.2022                             | 20.10.2022                        |
| 2015-16              | Dividend         | 11.03.2016                      | 10.03.2023                             | 08.04.2023                        |
| 2016-17              | Dividend         | 04.08.2017                      | 03.08.2024                             | 01.09.2024                        |

- In accordance with Section 125(5) of the Companies Act, 2013, the Company has transferred the unclaimed/unpaid dividends lying with the Company for a period of over 7 years, to the Investor Education and Protection Fund (the IEPF) established by the Central Government.
- In accordance with Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, the shares in respect of which, dividend has not been paid or claimed for 7 consecutive years or more have been transferred by the Company to IEPF. The shareholders / their legal heirs are entitled to claim the said shares and the dividend so transferred from the IEPF by making an online application in Form No: IEPF-5 to the IEPF Authority. The procedure and the form are available at [www.ramcoindltd.com](http://www.ramcoindltd.com) and [www.iepf.gov.in](http://www.iepf.gov.in)
- Electronic copy of the Notice for the Annual General Meeting together with the Annual Report for 2017-18 is being sent to all the members whose E-mail IDs are registered with the Company/Depository Participant(s). Physical copy of the Notice together with the Annual Report is being sent in permitted mode, to members for whom the E-Mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website - [www.ramcoindltd.com](http://www.ramcoindltd.com) for their download.
- Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members, who have not got their E-Mail IDs recorded are requested to register their E-mail address and changes therein with the Company in respect of physical shares and with Depository Participants in respect of dematerialised shares. Members are also requested to provide their Unique Identification Number and PAN (CIN in the case of Corporate Members) to the Company/Depository Participants.

10. Voting through electronic means :

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [LODR] the Company is providing members remote e-voting facility to exercise their right to vote at the 53<sup>rd</sup> Annual General Meeting (AGM) and the business may be transacted through such voting, through e-voting services provided by Central Depository Services (India) Limited (CDSL).
- II. The facility for voting, either through electronic voting system or ballot shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- III. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. The instructions for e-voting are as under :
  - i) To log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - ii) To Click on “Shareholders” tab.
  - iii) Now enter your User ID as given below:
    - \* For CDSL: 16 Digits beneficiary ID,
    - \* For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - \* Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - iv) Next enter the Captcha Code as displayed and Click on Login.
  - v) PASSWORD
    - \* If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
    - \* If you are first time user follow the steps given below :
      - a. Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders).  
Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Folio No./Client ID in the PAN field.  
In case the Folio No is less than 8 digits, enter the applicable number of 0's before the Folio No. after the first two characters of the name in CAPITAL letters. Eg. If your name is Krishnan with Folio No. 5 then enter KR00000005 in the PAN Field.
      - b. Please enter any one of the following details in order to login:  
Date of Birth: Enter the Date of Birth as recorded in your demat account or in the Company records in dd/mm/yyyy format.  
Dividend Bank Details: Please enter Dividend Bank Details as recorded in your demat account or in the Company records.  
If both of the above details are not recorded with the depository or Company, please enter the User ID/Folio Number (mentioned in (iii) above) in the Dividend Bank details field.
  - vi) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
  - viii) Click on the relevant EVSN for RAMCO INDUSTRIES LIMITED on which you choose to vote.



- ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolutions.
  - xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
  - xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - xiii) You can also take a print of the voting done by you by clicking on “Click here to Print” option on the Voting page. It need not be sent to the Company.
  - xiv) If you have forgotten the changed password then enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
  - xv) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - xvi) The facility for remote e-voting shall remain open from 9.00 a.m. on Tuesday the 31<sup>st</sup> July, 2018 to 5.00 p.m. on Thursday the 2<sup>nd</sup> August 2018. During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, viz. Friday the 27<sup>th</sup> July 2018, may opt for remote e-voting. Voting shall not be allowed beyond 5.00 p.m. on 2<sup>nd</sup> August, 2018.
  - xvii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- IV. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 27.07.2018.
- V. Shri K. Srinivasan, Chartered Accountant (Membership No. 021510), Partner, M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- VI. The Chairman shall, at the annual general meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutiniser, by use of ballot or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.
- VII. The scrutiniser shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.

Place : Chennai  
Date : 24-05-2018

By Order of the Board  
For RAMCO INDUSTRIES LIMITED  
**P.R. VENKETRAMA RAJA**  
CHAIRMAN

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No: 4

Shri R.S. Agarwal (DIN 00012594) is a Non-Executive Independent Director of the Company.

At the Annual General Meeting held on 28.07.2014, Shri R.S. Agarwal was appointed as an Independent Director of the Company, for a period of 5 years from 01.04.2014 to 31.03.2019. In accordance with Section 149(10) of the Companies Act, 2013, he is eligible for reappointment upon passing of a Special Resolution at the General Meeting of the Company.

The name of Shri R.S. Agarwal has been featured in the website of Ministry of Corporate Affairs for disqualification under Section 164(2) of the Companies Act, 2013 regarding Orion Alloy & Strips Limited. Shri.R.S.Agarwal had submitted that he had never provided his consent to act as a Director in Orion Alloy & Strips Limited and that the said company had forged his signature in the consent letter and created false documents. He had initially obtained a stay from Honourable High Court of Delhi against his disqualification from acting as Director. Subsequently, the Court has set aside the disqualification vide its order dated 11-01-2018, subject to any further order that may be passed by the Registrar of Companies, Delhi, on consideration of his representation. Shri R.S. Agarwal has confirmed that as on the date this notice, the Registrar of Companies has not passed any order on his representation.

In accordance with Regulation 17(10) of LODR and Schedule IV of the Companies Act, 2013, the Board of Directors have evaluated the performance of Independent Directors including Shri.R.S.Agarwal and found the same to be satisfactory and his contributions to the deliberations were beneficial in Board/Committee Meetings.

In accordance with Part D(A)(5) of Schedule II, read with Regulation 19(4) of LODR and on the basis of Performance Evaluation of Independent Directors, the Nomination and Remuneration Committee at its meeting held on 24.05.2018 had recommended to extend the term of office of Shri.R.S.Agarwal by reappointing him for another period of 5 years from 01.04.2019 to 31.03.2024.

In accordance with Proviso to Section 152(5) of the Companies Act, 2013, the Board of Directors have also formed an opinion that Shri R.S. Agarwal fulfils the conditions specified in the Companies Act, 2013 for such reappointment.

Shri R.S. Agarwal is eligible for sitting fee for attending Board/Committee Meetings as applicable to the Directors from time to time. His reappointment and remuneration is in accordance with Nomination and Remuneration Policy of the Company.

Under regulations 17(1A) of LODR, Special Resolution is necessary for appointing any person, as a Non-Executive Director, if he has attained the age of 75 years. The proposed Special Resolution satisfies the norm. The Statement pursuant to Section 102 of the Companies Act, 2013 may be treated as the required justification for the appointment of Shri R.S. Agarwal.

His reappointment has been included as Special Resolution and the Board of Directors recommend his reappointment.

His Profile in brief is given below :-

Shri.R.S.Agarwal, B.Sc., B.E. (Chemical Engineering) started his career in 1965 and after serving in various capacities with a leading paper mill of Northern India for 9 years and with Industrial Development Bank of India (IDBI) for 28 years, retired as Executive Director of IDBI.

While in service with IDBI, he had dealt with many subjects and projects including -

- \* Member of "Satyam Committee" set up by Government of India in 1999-2000 for formulation of policy for textile industry and involvement in preparation of policy notes, detailed guidelines and implementation of "Technology Upgradation Fund (TUF)" introduced by the Ministry of Textiles, Government of India in April 1999.
- \* Preparation of policy paper and guidelines on development of "Special Economic Zone" in the country for the Ministry of Commerce, Government of India in January 2002.
- \* Head of the Infrastructure Finance Department and Project Appraisal Department of IDBI from February 1999 to March 2002, during which period about 30 large size power projects in the range of 250 MW to 500 MW were evaluated and sanctioned assistance by IDBI.

He has been on the Board of Ramco Industries Limited since 2008.

He is also the Chairman of the Audit Committee and Nomination and Remuneration Committee of the Company.

He is a Member in the Board of Directors of the following Companies:-

1. The Ramco Cements Limited
2. Ramco Systems Limited
3. Surya Lakshmi Cotton Mills Ltd.
4. Suryalata Spinning Mills Ltd
5. GVK Jaipur Expressway Pvt. Ltd.

He is also a Member in the following Committees:-

| Sl.No | Name of the Company                   | Name of the Committee               | Position Held |
|-------|---------------------------------------|-------------------------------------|---------------|
| 1     | The Ramco Cements Limited             | Audit Committee                     | Chairman      |
| 2     | The Ramco Cements Limited             | Nomination & Remuneration Committee | Chairman      |
| 3     | Surya Lakshmi Cotton Mills Limited    | Audit Committee                     | Member        |
| 4     | Surya Lata Spinning Mills Limited     | Audit Committee                     | Member        |
| 5     | GVK Jaipur Expressway Private Limited | Audit Committee                     | Member        |

He holds no shares in Ramco Industries Limited.

The draft letter of reappointment for Shri.R.S.Agarwal as an Independent Director, setting out the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

**Disclosure of Interest :**

Except Shri.R.S.Agarwal, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution. The Notice together with this Statement may be regarded as a disclosure under Regulation 36(3) of LODR.

**Item No: 5**

Shri K.T. Ramachandran (DIN 00351334)) is a Non-Executive Independent Director of the Company.

At the Annual General Meeting held on 28.07.2014, Shri K.T. Ramachandran was appointed as an Independent Director of the Company, for a period of 5 years from 01.04.2014 to 31.03.2019. In accordance with Section 149(10) of the Companies Act, 2013, he is eligible for reappointment upon passing of a Special Resolution at the General Meeting of the Company.

In accordance with Regulation 17(10) of LODR and Schedule IV of the Companies Act, 2013, the Board of Directors have evaluated the performance of Independent Directors including Shri K.T. Ramachandran and found the same to be satisfactory and deliberations were beneficial in Board/Committee Meetings.

In accordance with Part D (A)(5) of Schedule II, read with Regulation 19(4) of LODR and on the basis of Performance Evaluation of Independent Directors, the Nomination and Remuneration Committee at its meeting held on 24.05.2018 had recommended to extend the term of office of Shri K.T. Ramachandran by reappointing him for another period of 5 years from 01.04.2019 to 31.03.2024. Shri K.T. Ramachandran is aged 80 years. Pursuant to Regulation 17(1A) of LODR (Amendment) 2018, the Board of Directors, after due consideration, recommended for his re-appointment.

In accordance with Proviso to Section 152(5) of the Companies Act, 2013, the Board of Directors have also formed an opinion that Shri K.T. Ramachandran fulfils the conditions specified in the Companies Act, 2013 for such reappointment.

Shri K.T. Ramachandran is eligible for sitting fee for attending Board/Committee Meetings as applicable to the Directors from time to time. His reappointment and remuneration is in accordance with Nomination and Remuneration Policy of the Company.

Under regulations 17(1A) of LODR, Special Resolution is necessary for appointing any person, as a Non-Executive Director, if he has attained the age of 75 years. The proposed Special Resolution satisfies the norm. The Statement pursuant to Section 102 of the Companies Act, 2013 may be treated as the required justification for the appointment of Shri K.T. Ramachandran.

His reappointment has been included as Special Resolution in pursuance of Regulation 17(1A) of LODR (Amendment) 2018 and the Board of Directors recommend his reappointment.

His Profile in brief is given below:-

Shri K.T. Ramachandran, is B.E in Civil Engineering from Madras University. He was first appointed as a Director of the Company in 1986 and since then he continues to be a Director extending valuable guidance. He is a Member of the Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company. He holds 4,47,171 shares of the Company.

The draft letter of reappointment for Shri K.T. Ramachandran as an Independent Director, setting out the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

**Disclosure of Interest :**

Except Shri K.T. Ramachandran, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution. The Notice together with this Statement may be regarded as a disclosure under Regulation 36(3) of LODR.

**Item No.: 6**

As per the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, a company offering securities or making invitation to subscribe securities on a private placement basis, is required to obtain the approval of the members by way of a Special Resolution.

The approval of the Members is being sought by way of a Special Resolution to enable the Company to borrow for financing capital expenditure and also for general corporate purposes by way of Secured, Redeemable, Non-Convertible Debentures (“SRNCDS”), subordinated bonds and other debt securities on private placement basis, in one or more tranches, during the period of one year from the date of passing of the Special Resolution [Pursuant to Second Proviso to Rule 14(2)(a) of Companies (Prospectus and Allotment of Securities) Rules, 2014] by the members, within the overall borrowing limits of the Company, as approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the SRNCDS, sub-ordinated bonds and other debt securities.

The Directors recommend the Resolution to the Members for their approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

**Item No.: 7**

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of Company, relating to manufacture of Fibre Cement Products (FCP & CSB) and Cotton Yarn.

On the recommendation of the Audit Committee at its meeting held on 24.05.2018, the Board had approved the appointment of M/s. Geeyes & Co., Cost Accountants as the Cost Auditors of the Company to audit the Company’s Cost Records relating to manufacture of Fibre Cement Products (FCP & CSB) and Cotton Yarn, for the financial year 2018-19. The Board had approved a remuneration of 2,50,000/- (Rupees Two lakh fifty thousand only) exclusive of GST and Out-of-pocket expenses.

The remuneration to be paid to the cost auditor is required to be ratified by the members, in accordance with the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014.

The Directors recommend the Resolution to the Members for their approval. None of the Directors, Key Managerial Personnel or their relatives are interested in this Resolution.

By Order of the Board  
For RAMCO INDUSTRIES LIMITED  
**P.R. VENKETRAMA RAJA**  
CHAIRMAN

Place : Chennai  
Date : 24-05-2018

**Additional Information on Director seeking re-election at the Annual General Meeting**

**Shri S S RAMACHANDRA RAJA**

Shri. S S Ramachandra Raja, a Science Graduate and has been Director of the Company since 1992 extending valuable guidelines. He is also the director of following Companies:

| Sl.No | Name of the Companies                    |
|-------|--|
| 1     | Rajapalayam Mills Limited                |
| 2     | Sri Vishnu Shankar Mill Limited          |
| 3     | Ramco Management Private Limited         |
| 4     | Sri Sethu Ramasamy Farms Private Limited |
| 5     | Sudharsanam Investments Limited          |

He holds 4,07,680 shares in Ramco Industries Limited

## BOARD'S REPORT

Your Directors have pleasure in presenting their 53<sup>rd</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2018.

### FINANCIAL RESULTS

|  | For the<br>Year ended<br>31.03.2018<br>₹ in lakhs<br>Standalone | For the<br>Year ended<br>31.03.2017<br>₹ in lakhs<br>Standalone |
|--|---|---|
| Total Revenue  | 86,695  | 82,867  |
| <b>Operating Profit : Profit before Interest, Depreciation and Tax (PBIDT)</b> | <b>13,111</b>   | 11,647  |
| Less : Interest  | 2,163   | 3,354   |
| <b>Profit before Depreciation and Tax (PBDT)</b>                               | <b>10,948</b>   | 8,293   |
| Less : Depreciation  | 2,310   | 2,148   |
| Add : Exceptional items  | 1,265   | 1,168   |
| <b>Net Profit/ Loss before Tax (PBT)</b>                                       | <b>9,903</b>  | 7,313   |
| Less: Provision for Taxation - Current   | 2,338   | 1,342   |
| - Deferred   | 1,914   | 864   |
| MAT Credit Entitlement   | (1554)  | (881)   |
| <b>Net Profit / Loss after Tax (PAT)</b>                                       | <b>7,205</b>  | 5,988   |
| Other Comprehensive Income for the year (Net of Tax)                           | 672   | 602   |
| Total Comprehensive Income for the year (TCI)                                  | 7,877   | 6,590   |
| <b>Movement of Retained earnings</b>   |   |   |
| Opening balance of Retained earning  | 10,760  | 5,672   |
| Add: Profit for the year   | 7,205   | 5,988   |
| Less: Dividend paid during the year  | 433   | 0   |
| Less: Transfer to General Reserve  | 1,100   | 900   |
| Closing balance of Retained earnings   | 16,432  | 10,760  |

### SHARE CAPITAL

The paid-up capital of the Company is ₹ 8,66,63,060/- consisting of 8,66,63,060 shares of ₹ 1/- each.

The Company proposes to transfer an amount of ₹ 1100 lakhs to the General Reserves. An amount of ₹ 16,432 lakhs is proposed to be retained in the statement of Profit and Loss.

### DIVIDEND

Your Directors at the Board Meeting held on 24.05.2018 have recommended Dividend of ₹ 0.50 per share on the Equity Capital of the Company, for the year. For the previous year, the Company had paid a dividend of ₹ 0.50 per share which amounts to ₹ 433 lacs. The recommendation of the dividend by the Directors is in accordance with the "Dividend Distribution Policy" of the company.

### TAXATION

An amount of ₹ 23.38 crore towards Current Tax, ₹ 19.14 crore towards Deferred tax and ₹ 15.54 crore towards MAT credit entitlement has been provided for the year under review.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Review of Operations and Current Trends

#### A. BUILDING PRODUCTS DIVISION:

| PRODUCT             | PRODUCTION<br>Qty. in M.T. |          | SALES<br>Qty. in M.T. |          | TURNOVER<br>₹ in Lakhs |          |
|---------------------|----------------------------|----------|-----------------------|----------|------------------------|----------|
|                     | 31.03.18                   | 31.03.17 | 31.03.18              | 31.03.17 | 31.03.18               | 31.03.17 |
| Fibre Cement Sheets | 5,43,489                   | 4,94,874 | 5,36,111              | 4,97,320 | 52,069                 | 45,720   |
| Fibre Cement Boards | 67,781                     | 53,688   | 68,276                | 50,059   | 11,365                 | 8,348    |

**(a) Fibre Cement (FC) Sheets :**

During the year under review, the Sales quantity of FC Sheets grown by around 9% compared to previous year. There was a revival in the demand for the sheets in the 3<sup>rd</sup> quarter and 4<sup>th</sup> quarter which was largely impacted by demonetisation during the previous year. New geographical markets for sales was explored amid stiff competition. Realisation also improved compared to last year by around 5%. RIL has achieved their highest ever sales volume in the year 17-18 and an equally improved realisation. Depreciation of Rupee also affected the raw material's cost. Consistent and Judicious usage of raw materials and supplier negotiations helped to mitigate the impact.

Union Government's initiatives on Rural development, good monsoon and Prime Minister's Swachh Bharat Abhiyan scheme, Better minimum support prices to agriculture crop by the Government, resolving farmers issue, firming up of steel and iron prices will be boost for fibre cement products and trend may continue. Promotional efforts are vigorously taken to explore new potential areas with more customized products

**(b) Fibre Cement Boards :**

Efforts are taken to increase Production and Sales during the year under review. New variants with superior features were well received in the Market. Lot of Marketing initiatives such as Meets and TV Commercials done to create awareness of the various product range. While there has been increase in production compared to last year, Sales also have been increased compared to last year.

Sales of Boards has increased by 35% both in Volume & Value terms. New Export markets have been added and Export Sales has been very positive during the last financial Year, Further growth is expected in the coming quarters as new markets are being added.

Smart Build Operations offering complete solutions in Green Dry Construction to customers, was started in September 2017 and turnkey projects with an approximate value of ₹ 7 Crores are under execution which is promising venture. Also trading operations commenced for NA products during the year. Lot of Marketing initiatives such as Meets and TV Commercials done to create awareness of the various product range.

**(c) Cement Clinker Grinding (CCG) Plant at Kharagpur, West Bengal :**

The Plant had produced 73,260 M.T. of Cement during the year under review as against 73,677 M.T. of Cement during 2017-18.

The Sale of Cement decreased to 73,424 M.T, during the last year from 73,519 M.T. during 2017-18. The assets of the CGU have been sold during the year 2017-18.

**(d) Fibre Cement Pressure Pipes:**

Operations of Pressure Pipes continued to be under pressure owing to the sluggish market. The Union Government's infrastructure initiatives are expected to increase the sale of this product.

**B. WIND MILLS:**

During the Financial Year 2017-18, the Wind energy was moderate with decrease of 3% compared to last year, from the existing 15 Wind Mills.

Position regarding Wind Mills was as follows:-

|  |  |
|--|--|
| Total Capacity Installed                       | : 16.73 MW                             |
| Total Units generated                          | : 300 Lakh Units (P.Y: 308 Lakh Units) |
| Income earned<br>(by generation/sale of power) | : ₹ 1,852 Lakhs (P.Y: ₹ 1728 Lakhs)    |

**C. COTTON YARN DIVISION - SRI RAMCO SPINNERS:**

**Production and Sales:**

During the year 2017-18, the Unit had produced 25.30 Lakh Kgs. of Cotton Yarn as compared to 25.40 Lakh Kgs. produced during the previous year. The Unit had sold Yarn at 28.72 Lakh Kgs. (including traded yarn) during the year under review as against 27.85 Lakh Kgs. during 2016-17.

During the year under review, the performance of the Cotton yarn division was moderate when compared to previous year. The reduction in yarn selling price and increase in raw material cost affected the performance of the company during the year 2017-18.

With the moderation in cotton prices & stability in yarn prices, your Directors are hopeful in achieving satisfactory results during the year 2018-19.

**D. OVERSEAS OPERATIONS OF SUBSIDIARIES - SRI RAMCO LANKA (PRIVATE) LIMITED AND SRI RAMCO ROOFINGS LANKA (PRIVATE) LIMITED, SRI LANKA:**

There was a drop in volume due to adverse climatic conditions in the first quarter of last year.

At a Consolidated level of both the Companies, the Net Sales were SLR 35,285 lakhs (INR 14,823 lakhs) as against SLR 41,014 lakhs (INR 18,744 lakhs) during the corresponding previous year.

In accordance with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the Financial Statements of the subsidiaries is attached in Form AOC-1 as Annexure -1 to the Board's Report.

**CONSOLIDATED FINANCIAL STATEMENTS:**

The company has 6 Associate Companies viz Rajapalayam Mills Limited, The Ramco Cements Limited and Ramco Systems Limited, Otime Industrial Services Limited, Madurai Trans Carrier Limited and Lynks Logistics Limited.

As per provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI(LODR)], Companies are required to prepare Consolidated Financial Statements of its subsidiaries and Associates to be laid before the Annual General Meeting of the Company. Accordingly, the Consolidated financial Statements incorporating the accounts of Subsidiary Companies viz. (a) M/s. Sudharsanam Investments Limited, (b) Sri Ramco Lanka (Private) Limited, Sri Lanka and (c) Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka and Associate Companies viz. Rajapalayam Mills Limited, The Ramco Cements Limited and Ramco Systems Limited along with Auditors' Report thereon, forms part of this Annual Report.

As per Section 136(1) of the Companies Act, 2013 the financial statements including consolidated financial statements are available at the Company's website at the following link at [http://www.ramcoindltd.com/annual\\_report.html](http://www.ramcoindltd.com/annual_report.html)

Separate audited accounts in respect of the subsidiary companies are also made available at the Company's website . The Company shall provide a copy of separate audited financial statements in respect of its subsidiary companies to any shareholder of the Company who asks for it.

The consolidated net profit after tax of the Company amounted to ₹ 78.79 crore for the year ended 31<sup>st</sup> March, 2018 as compared to ₹ 55.31 crore of the previous year.

The Consolidated Total Comprehensive Income for the year under review is ₹ 183.02 crores as against ₹ 210.37 crores of the previous year.

**DIRECTORS:**

As informed in the Board's Report for the year ended 31<sup>st</sup> March 2017, Shri.P.R.Venketrama Raja had been appointed as Chairman and Shri. P.V. Abinav Ramasubramaniam Raja as Managing Director with effect from 4<sup>th</sup> June 2017, consequent to the passing away of Shri.P.R.Ramasubrahmaneya Rajha.

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Shri S.S.Ramachandra Raja (DIN :00331491), Director, retires by rotation and is eligible for re-election.

Pursuant to Rule 8 (5) (iii) of Companies (Accounts) Rules, 2014 it is reported that, there have been no changes in the Directors or Key Managerial Personnel during the year.

The Independent Directors hold office for a fixed term of 5 years and not liable to retire by rotation. No Independent Director has retired during the year.

The Company has received necessary declarations from all the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

At the Annual General Meeting held on 28-07-2014, the following Directors were appointed as Independent Directors for a period of 5 years from 01-04-2014 to 31-03-2019.

Shri. R.S.Agarwal

Shri. K .T .Ramachandran

They are eligible for reappointment for another period of 5 years as Independent Directors from 01-04-2019 to 31-03-2024. In accordance with Section 149(10) of the Companies Act, 2013, their reappointment has been proposed in the Notice convening the Annual General Meeting as Special Resolutions.

The Nomination and Remuneration Committee and Board of Directors at the Meeting held on 24-05-2018 have evaluated the performance of the Independent Directors and based on the contribution of the Directors, have recommended their reappointment.

The Audit Committee has four members, out of which three are Independent Directors. Pursuant to Section 177(8) of the Companies Act, 2013 it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

In accordance with Section 178(3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors has approved a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees.

As per Provision to Section 178(4), the salient features of the Nomination and Remuneration Policy should be disclosed in the Board's Report. Accordingly, the following disclosures are given:

Salient Features of the Nomination and Remuneration Policy:

The objective of the Policy is to ensure that

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management shall be appropriate to the working of the company and its goals.

The Nomination and Remuneration Committee and this Policy shall be in compliance with the Companies Act, 2013 and LODR.

The web address of the Policy is - [http://www.ramcoindltd/files/Nomination\\_and\\_Remuneration\\_Policy.pdf](http://www.ramcoindltd/files/Nomination_and_Remuneration_Policy.pdf). The objective of the Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company.

As required under Regulation 25(7) of SEBI (LODR) Regulations, the Company has programmes for Familiarisation for Independent Directors about the nature of the Industry, Business model, roles, rights and responsibilities of Independent Directors and other relevant information. As required under Regulation 46(2) of SEBI (LODR) Regulations the details of the Familiarisation Programme for Independent Directors are available at the Company's website, at the following link at [http://www.ramcoindltd.com/boards\\_of\\_directors.html](http://www.ramcoindltd.com/boards_of_directors.html).

The details of the familiarization programme are explained in the Corporate Governance Report also.

#### **BOARD EVALUATION**

Pursuant to Section 134(3)(p) of the Companies Act, 2013, and Regulation 17(10) of SEBI (LODR) Regulations, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, Performance of the Board as a whole and its Members and other required matters. Pursuant to Schedule II, Part D of SEBI (LODR) Regulations, the Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board Meeting, which shall be taken into account at the time of reappointment of Independent Director.

#### **MEETINGS**

During the year, five Board meetings were held. In accordance with Clause 9 of Secretarial Standard 1, the details of number and dates of Meetings of the Board and Committees held during the financial year indicating the number of meetings attended by each Director are given in the Corporate Governance Report.

#### **SECRETARIAL STANDARD**

As required under Clause 9 of Secretarial Standard 1, the Board of Directors confirm that the company has complied with applicable Secretarial Standards.

#### **PUBLIC DEPOSITS:**

The Company had no fixed deposits. The Company has decided not to accept fresh deposits from 01.04.2014 and to avail the option provided under Section 74 of the Companies Act, 2013 and repaid all the existing deposits together with the accrued interest thereon by complying with the formalities required in this regard.

#### **ORDERS PASSED BY THE REGULATORS**

Pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 it is reported that no significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

#### **INTERNAL FINANCIAL CONTROLS**

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of Policies and Procedures commensurate with the size & nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements.



#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Pursuant to Section 186(4) of the Companies Act, 2013 the details of Loans, Guarantees and Investments are given in the notes of Disclosures forming part of separate Financial Statements.

#### **AUDITS**

##### **STATUTORY AUDIT**

The Companies Amendment Act, 2017, had removed the necessity for ratification of the appointment of Statutory Auditors, by Members at every Annual General Meeting during their tenure of appointment. Accordingly, the practice of seeking yearly ratification for the appointment of Statutory Auditors at the Annual General Meeting is dispensed with.

M/s.Ramakrishna Raja and Co., Chartered Accountants, (FRN:005333S) and M/s.SRSV & Associates, Chartered Accountants, (FRN:015041S), who have been appointed as the Statutory Auditors of the company at the 52<sup>nd</sup> Annual General Meeting would be the Auditors of the Company, till the conclusion of the 57<sup>th</sup> Annual General Meeting of the Company to be held in the year 2022.

The Auditors have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for re-appointment.

The report of the Statutory Auditors for the year ended 31<sup>st</sup> March, 2018 does not contain any qualification, reservation or adverse remark.

##### **COST AUDIT**

The Board of Directors had approved the appointment of M/s.Geeyes & Co., Cost Accountants as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of Fibre Cement Products (FCP & CSB), Cement Clinker Grinding and Cotton Yarn for the year 2018-19 at a remuneration of ₹ 2.50 lacs.

The remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148(3) of the Act and Rule 14 of Companies (Audit and Auditors) Rules, 2014. Accordingly, the matter relating to their remuneration had been included in the Notice convening the 53<sup>rd</sup> Annual General Meeting scheduled to be held on 3<sup>rd</sup> August,2018, for ratification by the Members.

The Cost Audit Report for the financial year 2016-17 is due to be filed with Ministry of Corporate Affairs by 30.09.2017 had been filed on 26.08.2017. The Cost Audit Report for the financial year 2017-18 is due to be filed within 180 days from the closure of the financial year and will be filed within the stipulated period.

##### **SECRETARIAL AUDIT**

M/s S. Krishnamurthy & Co., Company Secretaries, has been appointed to conduct the Secretarial Audit of the Company. Pursuant to the provisions of Section 204 (1) of the Companies Act, 2013 the Secretarial Audit Report submitted by the Secretarial Auditors for the year ended 31<sup>st</sup> March, 2018 is attached as Annexure - 2. The report does not contain any qualification, reservation or adverse remark.

##### **EXTRACT OF ANNUAL RETURN**

In accordance with Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of Companies (Management and Administration) Rules 2014, an extract of the Annual Return in Form MGT -9 is attached herewith as Annexure - 3

##### **CORPORATE GOVERNANCE**

The Company has complied with the requirements regarding Corporate Governance as stipulated in LODR. As required under Schedule V (C) of LODR, a report on Corporate Governance being followed by the Company is attached as Annexure - 4. As required under Schedule V (E) of LODR, a Certificate from the Statutory Auditors of the Company confirming the compliance is attached as Annexure - 5.

##### **CORPORATE SOCIAL RESPONSIBILITY POLICY:**

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee and adopted a CSR Policy which is based on the philosophy that "As the Organisation grows, the Society and Community around it also grows."

The Company has undertaken various projects in the areas of education, health, rural development, water and sanitation, promotion and development of traditional arts, protection of national heritage, livelihood enhancement projects etc., largely in accordance with Schedule VII of the Companies Act, 2013.

The CSR obligation pursuant to Section 135(5) of the Companies Act, 2013, for the year 2017-18 is ₹ 61.30 lacs. As against this, the Company has spent ₹ 76.17 lacs on CSR. Further, the Company had spent a sum of ₹ 5.99 lacs on other social causes which do not qualify under the classifications listed out in Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as Annexure - 6.

#### VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of LODR, the Company has established a Vigil mechanism and has a Whistle Blower Policy. The policy is available at the Company's website.

#### RISK MANAGEMENT POLICY

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 and Regulation 17(9) of LODR, the Company has developed and implemented the Risk Management Policy. The policy envisages identification of risk and procedures for assessment and minimisation of risk thereof.

#### RELATED PARTY TRANSACTIONS

Prior approval / omnibus approval is obtained from the Audit Committee for all Related Party transactions and the transactions are also periodically placed before the Audit Committee for its approval. The particulars of contracts entered into by the Company during the year as per Form AOC 2 is enclosed as Annexure - 7.

No transaction with the related party is material in nature except transaction with Raja Charity Trust which was approved by Shareholders at 51<sup>st</sup> Annual General Meeting held on 04.08.2016, in accordance with Company's "Related Party Transaction Policy" and Regulation 23 of LODR. In accordance with AS-24, the details of transactions with the related parties are set out in the Disclosures forming part of Financial Statements.

As required under Regulation 46 (2) (g) of LODR, the Related Party Transaction Policy is disclosed in the Company's Website and its weblink is - [http://www.ramcoindltd.com/files/RELATED\\_PARTY\\_TRANSACTION\\_POLICY\\_RIL.pdf](http://www.ramcoindltd.com/files/RELATED_PARTY_TRANSACTION_POLICY_RIL.pdf).

As required under Regulation 46(2)(h) of SEBI (LODR) Regulations, the Company's Material Subsidiary Policy is disclosed in the Company's Website and its weblink is [http://www.ramcoindltd.com/files/MATERIAL\\_SUBSIDIARY\\_POLICY\\_2015.pdf](http://www.ramcoindltd.com/files/MATERIAL_SUBSIDIARY_POLICY_2015.pdf)

#### FUTURE OUTLOOK

Indian Rural economy after years of drought and poor monsoon has started showing growth prospect due to relatively good monsoon. The India Meteorological Department (IMD) has forecast a normal monsoon in 2018, with rainfall likely to be 97 % of the long-term average. The Union Budget for the year 2018-19 has focused on uplifting of the rural economy, strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and MSME Sector which would augur well for the industry.

The country adopted the Goods and Services Tax (GST), a single tax to replace the existing Central and State multi taxes and levies. All the above factors are favourable for the sustained growth of the economy, specifically construction and infrastructure.

Your Company is prepared to meet the demand of the products and is taking initiatives to increase the market especially in Boards business. USD-INR volatility could be a dampener for the profitable growth.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134(3) (m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014 the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is attached as Annexure - 8

#### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The disclosures in terms of provisions of Section 136(1), 197(12) of the Companies Act, 2013 read with Rule 5(1), (2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to remuneration are provided in Annexure - 9.

#### INDUSTRIAL RELATIONS & PERSONNEL

Industrial relations continue to be cordial and harmonious at all the Units. Employees at all levels are extending their fullest co-operation for the various cost reduction measures of the Company. There is a special thrust on Human Resources Development with a view to promoting creative and group effort.

#### SHARES

The Company's shares are listed in BSE Limited and National Stock Exchange of India Limited and the Annual Listing Fees have been paid for the F.Y. 2018-19 respectively.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Directors confirm that

- (a) They had followed the applicable accounting standards along with proper explanation relating to material departures if any, in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2018;
- (b) They had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2018 and of the profit of Company for the year ended on that date;

- (c) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They had prepared the annual accounts on a going concern basis;
- (e) They had laid down internal financial controls to be followed by the Company and that such financial controls are adequate and were operating effectively.
- (f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### RESEARCH AND DEVELOPMENT EFFORTS

During the year, the company continued with research and development efforts in respect of economical mix and non-conventional fibres in production technology for manufacture of fibre cement sheets, calcium silicate boards, fibre cement boards and non-asbestos roofing sheets.

#### ACKNOWLEDGEMENT

The Directors are grateful to the various Departments and agencies of the Central and State Governments for their help and co-operation. They are thankful to the Financial Institutions and Banks for their continued help, assistance and guidance. The Directors wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

On behalf of the Board of Directors  
For RAMCO INDUSTRIES LIMITED

P.R. VENKETRAMA RAJA  
CHAIRMAN

Place : Chennai  
Date : 24-05-2018

**FORM AOC - 1**

[Pursuant to Section 129(3) of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014]  
Statement containing Salient features of the financial statement of subsidiaries / associate companies

**PART A - SUBSIDIARY COMPANIES**

₹ In lakhs  
Foreign Currency - in lakhs

| Particulars   |          | 1                                    |   | 2                                  |
|---|----------|--------------------------------------|---|------------------------------------|
| Name of the Subsidiary Company  | Currency | Sri Ramco Lanka<br>(Private) Limited | Sri Ramco Roofings<br>Lanka (Private) Limited | Sudharsanam<br>Investments Limited |
| Company incorporated in   |          | Sri Lanka                            | Sri Lanka                                     | India                              |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries |          |                                      |   |                                    |
| Share capital   | INR      | 1,365.32                             | 4,270.29                                      | 425.00                             |
|   | SLR      | 2,300.02                             | 10,150.43                                     |                                    |
| Reserves & surplus  | INR      | 6,986.92                             | 2,994.98                                      | 400.44                             |
|   | SLR      | 17,593.06                            | 7,189.11                                      |                                    |
| Total assets  | INR      | 9,808.59                             | 8,219.57                                      | 1,287.60                           |
|   | SLR      | 23,368.81                            | 19,617.10                                     |                                    |
| Total Liabilities   | INR      | 1,456.35                             | 954.30  | 462.16                             |
|   | SLR      | 3,475.73                             | 2,277.56                                      |                                    |
| Investments   | INR      | 4,216.02                             | -   | 1,286.25                           |
|   | SLR      | 10,021.41                            | -   |                                    |
| Turnover  | INR      | 8,602.36                             | 7,060.37                                      | 89.48                              |
|   | SLR      | 20,476.93                            | 16,806.42                                     |                                    |
| Profit before taxation  | INR      | 1,920.09                             | 1,244.72                                      | 48.10                              |
|   | SLR      | 4,608.96                             | 3,008.72                                      |                                    |
| Provision for Taxation  | INR      | 449.83                               | 129.61  |                                    |
|   | SLR      | 1,070.77                             | 308.51  |                                    |
| Profit after taxation   | INR      | 1,470.26                             | 1,115.11                                      | 48.10                              |
|   | SLR      | 3,538.19                             | 2,700.21                                      |                                    |
| Proposed Dividend   | INR      | -                                    | 703.59  | -                                  |
|   | SLR      | -                                    | 1,674.82                                      | -                                  |
| Percentage of Shareholding  |          | 99.99%                               | 1.27%   | 100%                               |
| As on 31.03.2018 : 1 SLR = ₹ 0.4201   |          |                                      |   |                                    |



**PART B - ASSOCIATE COMPANIES**

| Particulars   | 2017-18                   | 2017-18                   | 2017-18                   | 2017-18                            | 2017-18                       | 2017-18                   | 2017-18    |
|---|---------------------------|---------------------------|---------------------------|------------------------------------|-------------------------------|---------------------------|------------|
| Name of the Associate Company                                       | The Ramco Cements Limited | Rajapalayam Mills Limited | Ramco Systems Limited     | Ontime Industrial Services Limited | Madurai Trans Carrier Limited | Lynks Logistics Limited   |            |
| Latest audited Balance Sheet date                                   | 31.03.2018                | 31.03.2018                | 31.03.2018                | 31.03.2018                         | 31.03.2018                    | 31.03.2018                | 31.03.2018 |
| Number of Shares held as on 31.03.2018                              | 4,93,12,420               | 1,27,360                  | 54,67,376                 | 50,000                             | 3,09,00,000                   | 19,00,000                 |            |
| Amount of Investment in Associate as on 31.03.2018<br>-(₹ in Lakhs) | 5,815.15                  | 61.79                     | 13,216.19                 | 5.00                               | 309.00                        | 19.00                     |            |
| Extent of Shareholding % as on 31.03.2018                           | 22.44 *                   | 1.80 **                   | 17.90                     | 17.77                              | 17.17                         | 0.46                      |            |
| Description of how there is significant influence                   | By virtue of Shareholding | By virtue of Shareholding | By virtue of Shareholding | By virtue of Shareholding          | By virtue of Shareholding     | By virtue of Shareholding |            |
| Reason why the associate is not consolidated                        | Not Applicable            | Not Applicable            | Not Applicable            | Not Applicable                     | Not Applicable                | Not Applicable            |            |
| Networth attributable to shareholding (₹ in Lakhs)                  | 4,10,828                  | 1,60,013                  | 55,457                    | 834                                | 1,467                         | 1,232                     |            |
| Profit/Loss for the year (Consolidated) (₹ in lakhs)                |                           |                           |                           |                                    |                               |                           |            |
| (a) Considered in Consolidation - ₹ in Lakhs                        | 9,522.99                  | 46.14                     | 182.60                    | 8.68                               | (92.62)                       | (6.09)                    |            |
| (b) Not Considered in Consolidation                                 |                           |                           |                           |                                    |                               |                           |            |

\* Incl. 1.27% of Sudharsanam Investments Limited and 0.24% of indirect holding through Rajapalayam Mills Limited.

\*\* Incl. 0.07% of indirect holding through The Ramco Cements Limited.

As per our Report Annexed

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No. 210474  
Place: Chennai  
Date : 24<sup>th</sup> May, 2018

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM. G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Sr.G.M.(Legal)

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 00533335  
M. VIJAYAN  
Partner  
Membership No. 026972

**Form No. MR-3**

**Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2018**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To

The Members of  
**Ramco Industries Limited** [CIN:L26943TN1965PLC005297]  
 47, PSK Nagar, Rajapalayam  
 Virudhunagar District -626 108

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RAMCO INDUSTRIES LIMITED** (*hereinafter called "the Company"*) during the financial year from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 ("*the year*" / "*audit period*" / "*period under review*").

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i). Our **verification** of the books, papers, minute books and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the Company during the year as well as after 31<sup>st</sup> March 2018 but before the issue of this audit report;
- (ii). Our **observations** during our visits to the Corporate office of the Company and some of the factories of the Company;
- (iii). **Compliance certificates** confirming compliance with all laws applicable to the Company given by the key managerial personnel / senior managerial personnel of the Company and taken on record by the Audit Committee/ Board of Directors; and
- (iv). **Representations** made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, **during the audit period covering the financial year ended on 31<sup>st</sup> March 2018** the Company has:

- (i). Complied with the statutory provisions listed hereunder; and
- (ii). Board processes and compliance mechanism in place **to the extent, in the manner and subject to the reporting made hereinafter.**

The members are requested to read this report along with our letter of even date annexed to this report as Annexure - A.

**1. Compliance with specific statutory provisions**

**We further report that:**

1.1. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:

- (i) The Companies Act, 2013 and the rules made thereunder (*the Act*).
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules/ regulations made thereunder to the extent of Overseas Direct Investment (*FEMA*);
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("*SEBI Regulations*"):-
  - (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the client;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (*Agreements*).
- (vii) Secretarial Standards issued by The Institute of Company Secretaries of India (*Secretarial Standards*).

1.2 During the period under review, and also considering the compliance related action taken by the Company after 31<sup>st</sup> March 2018 but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

- (i) **The Company has complied with** the applicable provisions/ clauses of the Acts, Rules, SEBI Regulations and Agreements mentioned under sub-paragraphs (i) to (iii), (v) and (vi) of paragraph 1.1 above;
- (ii) **The Company has complied with** the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1. (vii) above to the extent applicable to Board meetings and General meetings. The Secretarial Standards on Dividend (SS-3), being non-mandatory has not been adopted by the Company.
- (iii) *As regards compliance with FEMA mentioned under sub-paragraph (iv) above, the Annual Performance Reports (APR) for the financial year ended 31<sup>st</sup> March 2017 in respect of the Overseas Direct Investments (ODI) made in its wholly-owned subsidiary (WOS) and step-down subsidiary (SDS) in Sri Lanka should have been submitted to the Reserve Bank of India through the designated Authorised Dealer (AD), on or before 31<sup>st</sup> December 2017. However, the Company:*
  - (a) *Has not submitted the APR of its WOS, M/s. Sri Ramco Lanka (Private) Limited, in which it has made an ODI of SLR (Sri Lankan Rupees) 2300 lakhs (equivalent to ₹ 1365.32 lakhs) as on the date of this report; and*
  - (b) *Has belatedly submitted the APR in respect of the financial year ended 31<sup>st</sup> March 2017 to the AD in respect of the ODI of SLR 129 lakhs (equivalent to USD 100,000 or ₹ 54.27 lakhs) in its SDS, M/s. Sri Ramco Roofings Lanka (Private) Limited, only on 23<sup>rd</sup> May 2018.*

1.3 The Company has provided us the following response with regard to the deficiencies in compliance with FEMA as reported in Para 1.2(iii) above:

- (i) **Para 1.2(iii)(a):** Since the conditions set out by Reserve Bank of India (RBI) at the time of Overseas Direct Investment had been fulfilled, the Company felt that there was no need to file APR for the ODI in M/s. Sri Ramco Lanka (Private) Limited. Further, Bank of Ceylon (the Authorised Dealer) and RBI had not provided clarification to the Company's queries in this regard and had also not insisted that it was mandatory. The Company will now initiate action to file the APR and expects to complete the process by end July 2018; and
- (ii) **Para 1.2(iii)(b):** Clarification sought from the Bank (AD) had resulted in the delay in filing APR for the year ended 31<sup>st</sup> March 2017 in respect of M/s. Sri Ramco Roofings Lanka (Private) Limited and the Company will ensure that there will be no delay in filing APR in future.

1.4 We are informed that, during/ in respect of the year, the Company was not required to comply with the following laws/ rules/ regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/ returns under:

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings ;
- (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (v) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

1.5 There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.

## 2. Board processes:

**We further report that:**

- 2.1 The Board of Directors of the Company as on 31<sup>st</sup> March 2018 comprised of one Executive Director, three Non-Executive Non Independent Directors and four Non-Executive Independent Directors, including a Woman Independent Director.
- 2.2 The disqualification of Mr. Radheyshyam Agarwal (DIN00012594), an independent director, under Section 164(2)(a) of the Companies Act, 2013 from being appointed as a director for five years from 1<sup>st</sup> November 2016 to 31<sup>st</sup> October 2021, was set aside by the Delhi High Court vide an order dated 11<sup>th</sup> January 2018, subject to any further order that may be passed by the Registrar of Companies, Delhi on consideration of his representation. He has continued to act as a director of the Company without any break in tenure and has also furnished a declaration dated 1<sup>st</sup> April 2018 confirming that he was not disqualified for appointment/ re-appointment as a director under section 164(2) of the Act.
- 2.3 The processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the provisions of the Act and LODR:

- (i) Re-appointment of the retiring director at the 52<sup>nd</sup> Annual General Meeting held on 4<sup>th</sup> August 2017;
- (ii) Appointment of Managing Director with effect from 4<sup>th</sup> June 2017, which was approved by the members at the 52<sup>nd</sup> Annual General Meeting held on 4<sup>th</sup> August 2017.
- (iii) Cessation of one Non Executive Non Independent Director due to death.
- (iv) Change in designation of an Executive Director to a Non Independent Non-Executive Director.

2.4 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings.

2.5 Agenda and detailed notes on agenda were sent to the directors at least seven days before the Board meetings.

2.6 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers; and
- (ii) Additional subjects/ information/ presentations and supplementary notes.

2.7 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.8 We were informed that, at the Board meetings held during the year:

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

### 3 Compliance mechanism

**We further report that:**

3.1 There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There is scope for further improvement in the compliance systems and processes, keeping pace with the growth in operations and increasing statutory requirements.

### 4 Specific events/ actions

4.1 During audit period, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and standards took place:

**For S Krishnamurthy & Co.**  
Company Secretaries

**K. Sriram**  
Partner  
Membership No: F6312  
Certificate of Practice No: 2215

Date : 24<sup>th</sup> May 2018  
Place: Chennai



**Annexure - A to Secretarial Audit Report of even date**

To,

The Members,  
RAMCO INDUSTRIES LIMITED, [CIN: L26943TN1965PLC005297]  
47, P S K Nagar, Rajapalayam,  
Virudhunagar District -626 108

**Our Secretarial Audit Report (Form MR-3) of even date for the  
financial year ended 31<sup>st</sup> March 2018 is to be read along with this letter.**

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31<sup>st</sup> March 2018 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : 24<sup>th</sup> May 2018  
Place: Chennai

**For S Krishnamurthy & Co.**  
Company Secretaries

**K. Sriram**  
Partner  
Membership No: F6312  
Certificate of Practice No: 2215

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31<sup>st</sup> March 2018**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

|     |   |   |
|-----|---|---|
| i   | CIN   | L26943TN1965PLC005297   |
| ii  | Registration Date   | 27.01.1965  |
| iii | Name of the Company   | RAMCO INDUSTRIES LIMITED  |
| iv  | Category/Sub-Category of the Company                                      | Public Limited Company  |
| v   | Address of the Registered Office and contact details                      | 47,P.S.K.NAGAR<br>RAJAPALAYAM - 626 108   |
| vi  | Whether listed Company  | Yes   |
| vii | Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s. Cameo Corporate Services Limited, Subramanian Building,<br>No: 1, Club House Road,<br>CHENNAI - 600 002 Tel. : 044-2846 0390 |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company :

| No | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the Company |
|----|--|-----------------------------------|------------------------------------|
| 1  | Building Products*                               | 23959                             | 83.58                              |
| 2  | Cotton Yarn                                      | 13111                             | 14.36                              |

\* comprise of Fibre Cement Sheets and Calcium Silicate Boards

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| No. | Name and Address of the Company                      | CIN/GLN                | Holding / Subsidiary/ Associate | % of shares held | Applicable section |
|-----|--|------------------------|---------------------------------|------------------|--------------------|
| 1.  | Sudharsanam Investments Limited                      | U 65993TN1998PLC040821 | Subsidiary                      | 100.00           | 2(87)(ii)          |
| 2.  | Sri Ramco Lanka (Private) Limited, Srilanka          | P V 4683               | Subsidiary                      | 99.99            | 2(87)(ii)          |
| 3.  | Sri Ramco Roofings Lanka (Private) Limited, Srilanka | P V 75389              | Subsidiary                      | 1.27             | 2(87)(ii)          |
| 4.  | The Ramco Cements Limited                            | L26941TN1957PLC003566  | Associate                       | 20.93            | 2(6)               |
| 5.  | Rajapalayam Mills Limited                            | L17111TN1936PLC002298  | Associate                       | 1.73             | 2(6)               |
| 6.  | Ramco Systems Limited                                | L72300TN1997PLC037550  | Associate                       | 17.90            | 2(6)               |
| 7.  | Ontime Industrial Services Limited                   | U74999TN2002PLC048773  | Associate                       | 17.77            | 2(6)               |
| 8.  | Madurai Trans Carrier Limited                        | U62100TN2013PLC094059  | Associate                       | 17.17            | 2(6)               |
| 9.  | Lynks Logistics Limited                              | U60200TN2015PLC103367  | Associate                       | 0.46             | 2(6)               |

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Shareholding**

| Category of Shareholders                           | No. of Shares held at the beginning of the year |             |                 |                   | No. of Shares held at the end of the year |             |                 |                   | % Change during the year |
|--|---|-------------|-----------------|-------------------|---|-------------|-----------------|-------------------|--------------------------|
|  | Demat   | Physical    | Total           | % of Total Shares | Demat                                     | Physical    | Total           | % of Total Shares |                          |
| <b>A. Promoters</b>                                |   |             |                 |                   |   |             |                 |                   |                          |
| (1) Indian   |   |             |                 |                   |   |             |                 |                   |                          |
| a) Individual / HUF                                | 23433161  | 0           | 23433161        | 27.04             | 23433161                                  | 0           | 23433161        | 27.04             | -                        |
| b) Central Govt)                                   | 0   | 0           | 0               | 0.00              | 0   | 0           | 0               | 0.00              | 0.00                     |
| c) State Govt(S)                                   | 0   | 0           | 0               | 0.00              | 0   | 0           | 0               | 0.00              | 0.00                     |
| d) Bodies Corporate                                | 23296660  | 0           | 23296660        | 26.88             | 23296660                                  | 0           | 23296660        | 26.88             | 0.0000                   |
| e) Banks / FI                                      | 0   | 0           | 0               | 0.00              | 0   | 0           | 0               | 0.00              | 0.00                     |
| f) Any other                                       | 0   | 0           | 0               | 0.00              | 0   | 0           | 0               | 0.00              | 0.00                     |
| Sub-total (A)(1)                                   | <b>46729821</b>                                 | <b>0</b>    | <b>46729821</b> | <b>53.92</b>      | <b>46729821</b>                           | <b>0</b>    | <b>46729821</b> | <b>53.92</b>      | <b>0.0000</b>            |
| (2) Foreign  |   |             |                 |                   |   |             |                 |                   |                          |
| a) NRIs - Individuals                              | 0   | 0           | 0               | 0.00              | 0   | 0           | 0               | 0                 | 0.00                     |
| b) Other Individuals                               | 0   | 0           | 0               | 0.00              | 0   | 0           | 0               | 0                 | 0.00                     |
| c) Bodies Corporate                                | 0   | 0           | 0               | 0.00              | 0   | 0           | 0               | 0                 | 0.00                     |
| d) Banks / FI                                      | 0   | 0           | 0               | 0.00              | 0   | 0           | 0               | 0                 | 0.00                     |
| e) Any other                                       | 0   | 0           | 0               | 0.00              | 0   | 0           | 0               | 0                 | 0.00                     |
| Sub-total (A)(2)                                   | 0   | 0           | 0               | 0                 | 0   | 0           | 0               | 0                 | 0.00                     |
| Total shareholding of Promoter (A) = A(1) + A(2)   | <b>46729821</b>                                 | <b>0</b>    | <b>46729821</b> | <b>53.92</b>      | <b>46729821</b>                           | <b>0</b>    | <b>46729821</b> | <b>53.92</b>      | <b>0.0000</b>            |
| <b>B. Public Shareholding</b>                      |   |             |                 |                   |   |             |                 |                   |                          |
| 1. Institutions                                    |   |             |                 |                   |   |             |                 |                   |                          |
| a) Mutual Funds                                    | 1938790   | 2000        | 1940790         | 2.24              | 1848853                                   | 2000        | 1850853         | 2.14              | -0.10                    |
| b) Banks / FI                                      | 1656848   | 4000        | 1660848         | 1.92              | 1487976                                   | 4000        | 1491976         | 1.72              | -0.20                    |
| c) Central Govt/ State Government(s)               | 0   | 0           | 0               | 0.00              | 65180                                     | 0           | 65180           | 0.08              | 0.08                     |
| d) Venture Capital Funds                           | 0   | 0           | 0               | 0.00              | 0   | 0           | 0               | 0.00              | 0.00                     |
| e) Insurance Companies                             | 0   | 0           | 0               | 0.00              | 0   | 0           | 0               | 0.00              | 0.00                     |
| f) FIs   | 11532   | 0           | 11532           | 0.01              | 0   | 0           | 0               | 0.00              | -0.01                    |
| g) Foreign Venture Capital Investors               | 0   | 0           | 0               | 0.00              | 0   | 0           | 0               | 0.00              | 0.00                     |
| h) Qualified Foreign Investor                      | 0   | 0           | 0               | 0.00              | 0   | 0           | 0               | 0.00              | 0.00                     |
| i) Other (specify)                                 |   |             |                 |                   |   |             |                 |                   |                          |
| Alternate Investment Funds                         | 0   | 0           | 0               | 0.00              | 227141                                    | 0           | 227141          | 0.26              | 0.26                     |
| Foreign Portfolio Investor (Corporate) Category I  | 5106  | 0           | 5106            | 0.01              | 5106                                      | 0           | 5106            | 0.01              | 0.00                     |
| Foreign Portfolio Investor (Corporate) Category II | 196917  | 0           | 196917          | 0.23              | 581820                                    | 0           | 581820          | 0.67              | 0.44                     |
|  | 202023  | 0           | 202023          | 0.23              | 814067                                    | 0           | 814067          | 0.94              | 0.71                     |
| Sub-total (B)(1)                                   | <b>3809193</b>                                  | <b>6000</b> | <b>3815193</b>  | <b>4.40</b>       | <b>4216076</b>                            | <b>6000</b> | <b>4222076</b>  | <b>4.87</b>       | <b>0.47</b>              |

| Category of Shareholders   | No. of Shares held at the beginning of the year |                |                 |                   | No. of Shares held at the end of the year |                |                 |                   | % Change during the year |
|--|---|----------------|-----------------|-------------------|---|----------------|-----------------|-------------------|--------------------------|
|  | Demat   | Physical       | Total           | % of Total Shares | Demat                                     | Physical       | Total           | % of Total Shares |                          |
| <b>2. Non-Institutions</b>   |   |                |                 |                   |   |                |                 |                   |                          |
| a) Bodies Corporate  | 2446108   | 99660          | 2545768         | 2.94              | 2474676                                   | 11000          | 2485676         | 2.87              | -0.07                    |
| b) Individuals   |   |                |                 |                   |   |                |                 |                   |                          |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh                     | 14573680  | 1097635        | 15671315        | 18.08             | 15164390                                  | 981340         | 16145730        | 18.63             | 0.55                     |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh            | 12086665  | 2953671        | 15040336        | 17.36             | 11559060                                  | 2680671        | 14239731        | 16.43             | -0.93                    |
| c) Qualified Foreign Investor  | 0   | 0              | 0               | 0.00              | 0   | 0              | 0               | 0.00              | 0.00                     |
| d) Others (specify)  |   |                |                 |                   |   |                |                 |                   |                          |
| Clearing Members   | 135242  | 0              | 135242          | 0.16              | 60816                                     | 0              | 60816           | 0.07              | -0.09                    |
| Foreign Portfolio Investor (individual) Category III                                       | 500   | 0              | 500             | 0.00              | 2500                                      | 0              | 2500            | 0.00              | 0.00                     |
| Hindu Undivided Families   | 1746532   | 0              | 1746532         | 2.01              | 1571876                                   | 0              | 1571876         | 1.81              | -0.20                    |
| Non Resident Indians   | 956988  | 0              | 956988          | 1.11              | 1184959                                   | 0              | 1184959         | 1.37              | 0.26                     |
| Trusts   | 21365   | 0              | 21365           | 0.03              | 19875                                     | 0              | 19875           | 0.02              | -0.01                    |
|  | 2860627   | 0              | 2860627         | 3.30              | 2840026                                   | 0              | 2840026         | 3.28              | -0.02                    |
| <b>Sub-total (B)(2)</b>  | <b>31967080</b>                                 | <b>4150966</b> | <b>36118046</b> | <b>41.68</b>      | <b>32038152</b>                           | <b>3673011</b> | <b>35711163</b> | <b>41.21</b>      | <b>-0.47</b>             |
| <b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>                                     | <b>35776273</b>                                 | <b>4156966</b> | <b>39933239</b> | <b>46.08</b>      | <b>36254228</b>                           | <b>3679011</b> | <b>39933239</b> | <b>46.08</b>      | <b>0.00</b>              |
| <b>TOTAL (A)+(B)</b>   | <b>82506094</b>                                 | <b>4156966</b> | <b>86663060</b> | <b>100.00</b>     | <b>82984049</b>                           | <b>3679011</b> | <b>86663060</b> | <b>100.00</b>     | <b>0.00</b>              |
| <b>C. Shares held by Custodians and against which Depository Receipts have been issued</b> |   |                |                 |                   |   |                |                 |                   |                          |
| Promoter and Promoter Group  | 0   | 0              | 0               | 0.00              | 0   | 0              | 0               | 0.00              | 0.00                     |
| Public   | 0   | 0              | 0               | 0.00              | 0   | 0              | 0               | 0.00              | 0.00                     |
| <b>TOTAL CUSTODIAN (C)</b>   | <b>0</b>  | <b>0</b>       | <b>0</b>        | <b>0.00</b>       | <b>0</b>                                  | <b>0</b>       | <b>0</b>        | <b>0.00</b>       | <b>0.00</b>              |
| <b>Grand Total (A+B+C)</b>   | <b>82506094</b>                                 | <b>4156966</b> | <b>86663060</b> | <b>100.00</b>     | <b>82984049</b>                           | <b>3679011</b> | <b>86663060</b> | <b>100.00</b>     | <b>0.00</b>              |

**ii) Shareholding of Promoters**

| Sl. No | Shareholder's Name                      | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|--------|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|        |   | No. of Shares                             | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares |  |
| 1.     | The Ramco Cements Ltd.                  | 13372500                                  | 15.43                            | 0  | 13372500                            | 15.43                            | 0  | 0.00                                     |
| 2.     | Ramco Management Pvt. Ltd.              | 1805800                                   | 2.08                             | 0  | 1805800                             | 2.08                             | 0  | 0.00                                     |
| 3.     | The Ramaraju Surgical Cotton Mills Ltd. | 135880                                    | 0.16                             | 0  | 135880                              | 0.16                             | 0  | 0.00                                     |
| 4.     | Rajapalayam Mills Limited               | 7920680                                   | 9.14                             | 0  | 7920680                             | 9.14                             | 0  | 0.00                                     |
| 5.     | Ramco Agencies Pvt. Ltd.                | 22200                                     | 0.03                             | 0  | 22200                               | 0.03                             | 0  | 0.00                                     |
| 6.     | Ramco Pvt. Ltd.                         | 39600                                     | 0.05                             | 0  | 39600                               | 0.05                             | 0  | 0.00                                     |

| Sl. No | Shareholder's Name               | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|--------|----------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|        |                                  | No. of Shares                             | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares |  |
| 7.     | Shri P.R. Ramasubrahmaneya Rajha | 2882621                                   | 3.33                             | 0  | 0                                   | 0.00                             | 0  | -3.33                                    |
| 8.     | Smt. Ramachandra Raja Chittammal | 1053880                                   | 1.22                             | 0  | 1053880                             | 1.22                             | 0  | 0.00                                     |
| 9.     | Smt. P.V. Srisandhya             | 42400                                     | 0.05                             | 0  | 42400                               | 0.05                             | 0  | 0.00                                     |
| 10.    | P.V. Abinav Ramasubramaniam Raja | 40000                                     | 0.05                             | 0  | 40000                               | 0.05                             | 0  | 0.00                                     |
| 11.    | Smt. Saradha Deepa               | 5500000                                   | 6.35                             | 0.29   | 6220655                             | 7.18                             | 0.96   | 0.83                                     |
| 12.    | Shri P.R. Venketrama Raja        | 5500000                                   | 6.35                             | 6.35   | 6220655                             | 7.18                             | 4.19   | 0.83                                     |
| 13.    | Smt. P.V. Nirmala                | 60000                                     | 0.07                             | 0  | 60000                               | 0.07                             | 0  | 0.00                                     |
| 14.    | Shri N.R.K.Ramkumar Raja         | 174640                                    | 0.20                             | 0  | 174640                              | 0.20                             | 0  | 0.00                                     |
| 15.    | Smt. Nalina Ramalakshmi          | 5580000                                   | 6.44                             | 0  | 6300655                             | 7.27                             | 0  | 0.83                                     |
| 16.    | Shri S.R. Srirama Raja           | 243000                                    | 0.28                             | 0  | 243000                              | 0.28                             | 0  | 0.00                                     |
| 17.    | Smt. R Sudarsanam                | 2356620                                   | 2.72                             | 0  | 3077276                             | 3.55                             | 0  | 0.83                                     |
|        | Total                            | 46729821                                  | 53.92                            | 6.64   | 46729821                            | 53.92                            | 5.15   | 1.49                                     |

iii) Change in Promoters' Shareholding : NIL

| Sl No | Shareholding                              | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-------|---|---|----------------------------------|---|----------------------------------|
|       |   | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
|       | At the beginning of the year (01.04.2017) | 46729821                                  | 53.92                            | --                                      | --                               |
|       | At the end of the year (31.03.2018)       | 46729821                                  | 53.92                            | 46729821                                | 53.92                            |

Note for Table (ii) :

Changes for Sl. No. 6, 10, 11, 14 and 16 of Table (ii) are due to transmission of shares consequent to the demise of Sri.P.R. Ramasubrahmaneya Rajha

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs)

| Sl No | Name                                    | Shareholding  |                                  | Date       | Increase/ Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01-04-2017 to 31-03-2018) |                                  |
|-------|---|---|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
|       |   | No. of Shares at the beginning (01-04-2017)/ end of the year (31-03-2018) | % of total shares of the Company |            |                                    |          | No. of Shares  | % of total shares of the Company |
| 1     | Govindlal M Parikh/<br>Chinmay G Parikh | 3267048   | 3.77                             | 01.04.2017 |                                    |          |  |                                  |
|       |   |   |                                  | 16.3.2018  | 24366                              | Purchase | 3291414  | 3.80                             |
|       |   |   |                                  | 23.3.2018  | 33268                              | Purchase | 3324682  | 3.84                             |
|       |   | 3329682   | 3.84                             | 30.3.2018  | 5000                               | Purchase | 3329682  | 3.84                             |
| 2     | General Insurance Corporation of India  | 1516660   | 1.75                             | 01.04.2017 |                                    |          | 1516660  | 1.75                             |
|       |   |   |                                  | 15.12.2017 | 36660                              | Sale     | 1480000  | 1.71                             |
|       |   | 1400000   | 1.62                             | 9.2.2018   | 80000                              | Sale     | 1400000  | 1.62                             |

| Sl No   | Name   | Shareholding  |   | Date       | Increase/<br>Decrease in<br>shareholding | Reason   | Cumulative Shareholding<br>during the year<br>(01-04-2017 to<br>31-03-2018) |   |
|---|--|---|---|------------|--|----------|---|---|
|   |  | No. of<br>Shares at the<br>beginning<br>(01-04-2017)/<br>end of the<br>year<br>(31-03-2018) | % of total<br>shares<br>of the<br>Company |            |  |          | No. of<br>Shares  | % of total<br>shares<br>of the<br>Company |
| 3   | Sundaram Mutual Fund A/c<br>Sundaram Smile Fund                      | 1250000   | 1.44                                      | 01.04.2017 |  |          |   |   |
|   |  | 1250500   | 1.44                                      | 27.10.2017 | 500                                      | Purchase | 1250500   | 1.44                                      |
|   | Sundaram Mutual Fund<br>A/c Sundaram Value Fund<br>Series-I          | 100000  | 0.12                                      | 01.04.2017 |  |          |   |   |
|   |  | 0   | 0.00                                      | 10.11.2017 | 100000                                   | Sale     | 0   | 0.00                                      |
|   | Sundaram Mutual Fund A/c<br>Sundaram Select Micro Cap<br>Series VIII | 55656   | 0.06                                      | 01.04.2017 |  |          |   |   |
|   |  | 0   | 0.00                                      | 02.06.2017 | 55656                                    | Sale     | 0   | 0.00                                      |
|   | Sundaram Mutual Fund A/c<br>Sundaram Select Micro Cap<br>Series IX   | 33035   | 0.04                                      | 01.04.2017 |  |          |   |   |
|   |  | 0   | 0.00                                      | 02.06.2017 | 33035                                    | Sale     | 0   | 0.00                                      |
|   | Sundaram Mutual Fund A/c<br>Sundaram Select Micro Cap<br>Series XIV  | 0   | 0.00                                      | 01.04.2017 |  |          |   |   |
|   |  |   |   | 19.05.2017 | 53765                                    | Purchase | 53765   | 0.06                                      |
|   |  |   |   | 26.05.2017 | 58729                                    | Purchase | 112494  | 0.13                                      |
|   |  | 116255  | 0.13                                      | 02.06.2017 | 3761                                     | Purchase | 116255  | 0.13                                      |
|   | Sundaram Mutual Fund A/c<br>Sundaram Select Micro Cap<br>Series XV   | 0   | 0.00                                      | 01.04.2017 |  |          |   |   |
|   |  | 100000  | 0.12                                      | 02.06.2017 | 100000                                   | Purchase | 100000  | 0.12                                      |
|   | Sundaram Mutual Fund A/c<br>Sundaram Select Micro Cap<br>Series XVI  | 0   | 0.00                                      | 01.04.2017 |  |          |   |   |
|   |  |   |   | 13.10.2017 | 60924                                    | Purchase | 60924   | 0.07                                      |
|   |  |   |   | 17.11.2017 | 7143                                     | Purchase | 68067   | 0.08                                      |
|   |  |   |   | 01.12.2017 | 461                                      | Purchase | 68528   | 0.08                                      |
|   |  | 72429   | 0.08                                      | 08.12.2017 | 3901                                     | Purchase | 72429   | 0.08                                      |
|   | Sundaram Mutual Fund<br>A/c Sundaram Value Fund<br>Series-IX         | 0   | 0.00                                      | 01.04.2017 |  |          |   |   |
|   |  | 63000   | 0.07                                      | 10.11.2017 | 63000                                    | Purchase | 63000   | 0.07                                      |
|   | Sundaram Mutual Fund A/c<br>Sundaram Select Micro Cap<br>Series XVII | 0   | 0.00                                      | 01.04.2017 |  |          |   |   |
|   |  |   |   | 20.10.2017 | 9353                                     | Purchase | 9353  | 0.01                                      |
|   |  |   |   | 27.10.2017 | 10000                                    | Purchase | 19353   | 0.02                                      |
|   |  |   |   | 10.11.2017 | 32403                                    | Purchase | 51756   | 0.06                                      |
|   |  | 58791   | 0.07                                      | 17.11.2017 | 7035                                     | Purchase | 58791   | 0.07                                      |
| Sundaram Mutual Fund A/c<br>Sundaram Long Term Micro<br>Cap Tax Advantage Fund<br>Series IV | 0  | 0.00  | 01.04.2017                                |            |  |          |   |   |
|   |  |   | 19.05.2017                                | 22308      | Purchase                                 | 22308    | 0.03  |   |
|   | 44231  | 0.05  | 26.05.2017                                | 21923      | Purchase                                 | 44231    | 0.05  |   |
| Sundaram Mutual Fund A/c<br>Sundaram Long Term Micro<br>Cap Tax Advantage Fund<br>Series V  | 0  | 0.00  | 01.04.2017                                |            |  |          |   |   |
|   |  |   | 21.07.2017                                | 11289      | Purchase                                 | 11289    | 0.01  |   |
|   |  |   | 11.08.2017                                | 8517       | Purchase                                 | 19806    | 0.02  |   |
|   |  |   | 13.10.2017                                | 14380      | Purchase                                 | 34186    | 0.04  |   |
|   |  |   | 10.11.2017                                | 3625       | Purchase                                 | 37811    | 0.04  |   |
|   | 41761  | 0.05  | 17.11.2017                                | 3950       | Purchase                                 | 41761    | 0.05  |   |

| Sl No | Name  | Shareholding  |   | Date       | Increase/<br>Decrease in<br>shareholding | Reason   | Cumulative Shareholding<br>during the year<br>(01-04-2017 to<br>31-03-2018) |   |
|-------|---|---|---|------------|--|----------|---|---|
|       |   | No. of<br>Shares at the<br>beginning<br>(01-04-2017)/<br>end of the<br>year<br>(31-03-2018) | % of total<br>shares<br>of the<br>Company |            |  |          | No. of<br>Shares  | % of total<br>shares<br>of the<br>Company |
|       | Sundaram Mutual Fund A/c<br>Sundaram Long Term Micro<br>Cap Tax Advantage Fund<br>Series VI | 0   | 0.00                                      | 01.04.2017 |  |          |   |   |
|       |   |   |   | 13.10.2017 | 32422                                    | Purchase | 32422   | 0.04                                      |
|       |   |   |   | 10.11.2017 | 811                                      | Purchase | 33233   | 0.04                                      |
|       |   | 38196   | 0.04                                      | 17.11.2017 | 4963                                     | Purchase | 38196   | 0.04                                      |
|       | Sundaram Mutual Fund<br>A/c Sundaram Value Fund<br>Series-X                                 | 0   | 0.00                                      | 01.04.2017 |  |          |   |   |
|       |   |   |   | 15.12.2017 | 22136                                    | Purchase | 22136   | 0.03                                      |
|       |   | 35630   | 0.04                                      | 16.02.2018 | 3819                                     | Purchase | 35630   | 0.04                                      |
| 4     | Shailesh Manoharlal Shah/<br>Kalpana Shailesh Shah  | 700000  | 0.81                                      | 01.04.2017 |  |          |   |   |
|       |   | 634000  | 0.73                                      | 23.03.2018 | 66000                                    | Sale     | 634000  | 0.73                                      |
| 5     | Govindlal M Parikh  | 696000  | 0.80                                      | 01.04.2017 | -  | -        | 696000  | 0.80                                      |
| 6     | Krishnasamy Kamaya<br>Naicker S   | 556500  | 0.64                                      | 01.04.2017 | -  | -        | 556500  | 0.64                                      |
| 7     | Krishnamurthy V   | 493200  | 0.57                                      | 01.04.2017 | -  | -        | 493200  | 0.57                                      |
| 8     | HDFC Trustee Company<br>Limited - HDFC Prudence<br>Fund                                     | 468639  | 0.54                                      | 01.04.2017 |  |          |   |   |
|       |   |   |   | 07.04.2017 | 21000                                    | Sale     | 447639  | 0.52                                      |
|       |   |   |   | 14.04.2017 | 6000                                     | Sale     | 441639  | 0.51                                      |
|       |   |   |   | 21.04.2017 | 71300                                    | Sale     | 370339  | 0.43                                      |
|       |   |   |   | 28.04.2017 | 113000                                   | Sale     | 257339  | 0.30                                      |
|       |   | 0   | 0.00                                      | 05.05.2017 | 195339                                   | Sale     | 62000   | 0.07                                      |
| 9     | Ramasubramania Raja S S   | 465240  | 0.54                                      | 01.04.2017 | -  | -        | 465240  | 0.54                                      |
| 10    | Hitesh Satishchandra<br>Doshi/Bhanu Satishchandra<br>Doshi                                  | 451177  | 0.52                                      | 01.04.2017 |  |          |   |   |
|       |   |   |   | 25.08.2017 | 50000                                    | Sale     | 401177  | 0.46                                      |
|       |   |   |   | 29.12.2017 | 60000                                    | Sale     | 341177  | 0.39                                      |
|       |   |   |   | 09.02.2018 | 200000                                   | Sale     | 141177  | 0.16                                      |
|       |   |   |   | 23.02.2018 | 20000                                    | Sale     | 121177  | 0.14                                      |
|       |   | 82697   | 0.10                                      | 09.03.2018 | 30000                                    | Sale     | 91177   | 0.11                                      |
|       |   | 23.03.2018  | 8480                                      | Sale       | 82697                                    | 0.10     |   |   |

Note :

The top 10 shareholders are based on the shareholding as on 01-04-2017 and the information relating to increase/decrease in their shareholding is provided based on the weekly Beneficiary Position received from Depositories.

v) **Shareholding of Directors and Key Managerial Personnel**

| Sl No                           | Name                                     | Shareholding   |                                  | Date       | Increase/ Decrease in shareholding | Reason       | Cumulative Shareholding during the year (01-04-2017 to 31-03-2018) |                                  |
|---------------------------------|--|--|----------------------------------|------------|------------------------------------|--------------|--|----------------------------------|
|                                 |  | No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018) | % of total shares of the Company |            |                                    |              | No. of Shares  | % of total shares of the Company |
| <b>DIRECTORS :</b>              |  |  |                                  |            |                                    |              |  |                                  |
| 1                               | Shri P.R. Ramasubrahmaneya Rajha         | 2882621  | 3.33                             |            |                                    |              |  |                                  |
|                                 |  | 0  | 0.00                             | 02.06.2017 | 2882621                            | Transmission | 0  | 0.00                             |
| 2                               | Shri P.R. Venketrama Raja                | 5500000  | 6.35                             |            |                                    |              |  |                                  |
|                                 |  | 6220655  | 7.18                             | 02.06.2017 | 720655                             | Transmission | 6220655  | 7.18                             |
| 3                               | Shri P.V. Abinav Ramasubramaniam Raja*   | 40000  | 0.05                             | N.A.       | N.A.                               | N.A.         |  |                                  |
|                                 |  | 40000  | 0.05                             | N.A.       | N.A.                               | N.A.         | 40000  | 0.05                             |
| 4                               | Shri S.S. Ramachandra Raja               | 407680   | 0.47                             | N.A.       | N.A.                               | N.A.         |  |                                  |
|                                 |  | 407680   | 0.47                             | N.A.       | N.A.                               | N.A.         | 407680   | 0.47                             |
| 5                               | Shri N.K. Shrikantan Raja                | 120140   | 0.14                             | N.A.       | N.A.                               | N.A.         |  |                                  |
|                                 |  | 120140   | 0.14                             | N.A.       | N.A.                               | N.A.         | 120140   | 0.14                             |
| 6                               | Shri K.T. Ramachandran                   | 447171   | 0.52                             | N.A.       | N.A.                               | N.A.         |  |                                  |
|                                 |  | 447171   | 0.52                             | N.A.       | N.A.                               | N.A.         | 447171   | 0.52                             |
| 7                               | Shri R.S. Agarwal                        | NIL  | NIL                              | N.A.       | N.A.                               | N.A.         | NIL  | NIL                              |
| 8                               | Shri V. Santhanaraman                    | NIL  | NIL                              | N.A.       | N.A.                               | N.A.         | NIL  | NIL                              |
| 9                               | Smt. Justice Chitra Venkataraman (Retd.) | NIL  | NIL                              | N.A.       | N.A.                               | N.A.         | NIL  | NIL                              |
| <b>Key Managerial Personnel</b> |  |  |                                  |            |                                    |              |  |                                  |
| 1                               | Shri Prem G Shanker                      | 10893  | 0.01                             | N.A.       | N.A.                               | N.A.         |  |                                  |
|                                 |  | 10893  | 0.01                             | N.A.       | N.A.                               | N.A.         | 10893  | 0.01                             |
| 2                               | Shri K. Sankaranarayanan                 | NIL  | NIL                              | N.A.       | N.A.                               | N.A.         | NIL  | NIL                              |
| 3                               | Shri S. Balamurugasundaram               | NIL  | NIL                              | N.A.       | N.A.                               | N.A.         | NIL  | NIL                              |

\* Appointed as MD from 04-06-2017.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

In Rupees lakhs

|   | Secured Loan excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the Financial year |                                 |                 |          |                    |
| (i) Principal Amount                                | 15,801.55                       | 17,818.35       | -        | 33,619.89          |
| (ii) Interest Due but not paid                      | -                               | -               | -        | -                  |
| (iii) Interest accrued but not due                  | 156.75                          | -               | -        | 156.75             |
| Total of (i+ii+iii)                                 | 15,958.29                       | 17,818.35       | -        | 33,776.64          |
| Change in Indebtedness during the Financial year    |                                 |                 |          |                    |
| Addition  | 5,000.00                        | 8,500.00        | -        | 13,500.00          |
| Reduction   | 8,041.77                        | 17,818.35       | -        | 25,860.12          |
| Net change  | -3,041.77                       | -9,318.55       | -        | -12,360.12         |
| Indebtedness at the end of the Financial year       |                                 |                 |          |                    |
| (i) Principal Amount                                | 12,759.78                       | 8,500.00        | -        | 21,259.78          |
| (ii) Interest Due but not paid                      |                                 |                 |          |                    |
| (iii) Interest accrued but not due                  | 105.30                          |                 |          | 105.30             |
| Total of (i+ii+iii)                                 | 12,865.08                       | 8,500.00        | -        | 21,365.08          |



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

(In Rupees)

| Sl. No. | Particulars of remuneration   | Name of VCMD Upto 3.6.2017 | Name of MD from 4.6.2017              | Name of WTD | Name of Manager | Total Amount |
|---------|---|----------------------------|---------------------------------------|-------------|-----------------|--------------|
|         |   | Shri P.R.Venketrama Raja   | Shri P.V. Abinav Ramasubramaniam Raja | -           | -               |              |
| 1       | Gross Salary  |                            |                                       |             |                 |              |
|         | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 37,80,000                  | 1,78,20,000                           | -           | -               | 2,16,00,000  |
|         | (b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961                      | -                          | -                                     | -           | -               | -            |
|         | (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961                 | -                          | -                                     | -           | -               | -            |
| 2       | Others - Commission   | 32,15,447                  | 15,53,881                             | -           | -               | 47,69,328    |
| 3       | Contribution towards Provident Fund   | 2,72,160                   | 12,83,040                             |             |                 | 15,55,200    |
| 4       | Sitting Fee   | Refer Item (B) below       |                                       |             |                 |              |
|         | Total (A)   | 72,67,607                  | 2,06,56,921                           |             |                 | 2,79,24,528  |
|         | Ceiling as per the Act  |                            | See Note below                        |             |                 |              |

**Notes :**

- Shri P.R. Venketrama Raja was appointed as Vice Chairman and Managing Director of the Company for a period of 3 years from 1.4.2017 vide Special Resolution passed by the Shareholders at their AGM held on 4.8.2016. However, due to the passing away of Shri P.R. Ramasubrahmaneya Rajha, erstwhile Chairman, Shri P.R. Venketrama Raja had relinquished his post as Vice Chairman and Managing Director and was appointed as Chairman by the Board of Directors at its meeting held on 4.6.2017. Hence, Shri P.R.Venketrama Raja, Chairman, had been paid remuneration till such time he occupied the position as Vice Chairman and Managing Director of the Company viz. upto 3.6.2017, after deducting the remuneration paid by Ramco Systems Limited, where also he was a Vice Chairman and Managing Director, upto 3.6.2017.

The remuneration to Shri P.R. Venketrama Raja, Chairman, is governed by the resolution passed by the shareholders at the Annual General Meeting held on 4.08.2016 and the remuneration is equivalent to 5% of the Net Profits of the Company.

- Shri P.V. Abinav Ramasubramaniam Raja, had been appointed as Managing Director of the Company for a period of five years with effect from 4.6.2017 by the Shareholders at their AGM held on 4.8.2017 at a remuneration equivalent to 5% of the net profits of the Company or M/s. Ramco Systems Limited (RSL) whichever is higher, by way of monthly salary, allowances, other perquisites / benefits and commission or in any other combination as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and fixed the maximum remuneration payable to Shri P.V. Abinav Ramasubramaniam Raja which shall not exceed 3% of net profits of either RIL or RSL whichever is higher, for first 2 years.

Hence, Shri P.V. Abinav Ramasubramaniam Raja, Managing Director, had been paid remuneration from 4.6.2017 after deducting the remuneration paid by Ramco Systems Limited, where also he is a Whole Time Director.

**B. Remuneration to other Directors :**

(In ₹)

| Sl. No. | Particulars of Remuneration                 | Name of the Directors  |                                       |                            |                            |                        |                   |                       |  | Total Amount |
|---------|---|--|---------------------------------------|----------------------------|----------------------------|------------------------|-------------------|-----------------------|--|--------------|
|         |   | Shri P.R. Venketrama Raja (Non-Executive Director from 4.6.2017) | Shri P.V. Abinav Ramasubramaniam Raja | Shri S.S.Rama-chandra Raja | Shri N.K. Shri kantan Raja | Shri K.T. Ramachandran | Shri R.S. Agarwal | Shri V. Santhanaraman | Smt. Justice Chitra Venkataraman (Retd.) |              |
| 1       | <b>Independent Directors</b>                |  |                                       |                            |                            |                        |                   |                       |  |              |
|         | Fee for attending Board/ Committee Meetings | -  | -                                     | -                          | -                          | 200000                 | 350000            | 150000                | 275000                                   | 975000       |
|         | Commission                                  | -  | -                                     | -                          | -                          | -                      | -                 | -                     | -  | -            |
|         | Others, please specify                      | -  | -                                     | -                          | -                          | -                      | -                 | -                     | -  | -            |
|         | Total (1)                                   | -  | -                                     | -                          | -                          | 200000                 | 350000            | 150000                | 275000                                   | 975000       |

| Sl. No.                             | Particulars of Remuneration                 | Name of the Directors   |                                       |                            |                            |                        |                   |                       |  | Total Amount |
|-------------------------------------|---|---|---------------------------------------|----------------------------|----------------------------|------------------------|-------------------|-----------------------|--|--------------|
|                                     |   | Shri P.R. Venketrama Raja (Non-Executive Director from 4.6.2017)  | Shri P.V. Abinav Ramasubramaniam Raja | Shri S.S.Rama-chandra Raja | Shri N.K. Shri kantan Raja | Shri K.T. Ramachandran | Shri R.S. Agarwal | Shri V. Santhanaraman | Smt. Justice Chitra Venkataraman (Retd.) |              |
| 2                                   | <b>Other Non Executive Directors</b>        |   |                                       |                            |                            |                        |                   |                       |  |              |
|                                     | Fee for attending Board/ Committee Meetings | 225000  | -                                     | 125000                     | 200000                     | -                      | -                 | -                     | -  | 550000       |
|                                     | Commission                                  | Refer Item (A) above  | -                                     | -                          | -                          | -                      | -                 | -                     | -  | -            |
|                                     | Others, please specify                      | -   | -                                     | -                          | -                          | -                      | -                 | -                     | -  | -            |
|                                     | Total (2)                                   | 225000  | -                                     | 125000                     | 200000                     | -                      | -                 | -                     | -  | 550000       |
| 3                                   | <b>Executive Director</b>                   |   |                                       |                            |                            |                        |                   |                       |  |              |
|                                     | Fee for attending Board/ Committee Meetings | -   | 100000                                | -                          | -                          | -                      | -                 | -                     | -  | 100000       |
|                                     | Commission                                  | Refer Item (A) above  |                                       |                            |                            |                        |                   |                       |  |              |
|                                     | Others, please specify                      | -   | -                                     | -                          | -                          | -                      | -                 | -                     | -  | -            |
|                                     | Total (3)                                   | -   | 100000                                | -                          | -                          | -                      | -                 | -                     | -  | 100000       |
|                                     | Total (B) = (1+2+3)                         | 225000  | 100000                                | 125000                     | 200000                     | 200000                 | 350000            | 150000                | 275000                                   | 1625000      |
|                                     | Overall Ceiling as per the Act              | Only Sitting fees is being paid to Directors which is not included in the ceiling as per Section 197(2) of the Act. |                                       |                            |                            |                        |                   |                       |  |              |
| Total Managerial Remuneration (A+B) |   |   |                                       |                            |                            |                        |                   |                       |  | 2,95,49,528  |

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(In ₹)

| Sl. No. | Particulars of remuneration   | Key Managerial Personnel                     |   |  |
|---------|---|--|---|--|
|         |   | Shri Prem G Shanker, Chief Executive Officer | Shri K. Sankaranarayanan, Chief Financial Officer | Shri S. Balamurugasundaram, Company Secretary & Senior General Manager (Legal) |
| 1.      | Gross Salary  |  |   |  |
|         | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 1,72,35,128                                  | 58,47,841   | 25,04,153  |
|         | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                      | -  | -   | -  |
|         | (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961                 | -  | -   | -  |
| 2.      | Stock Option  | -  | -   | -  |
| 3.      | Sweat Equity  | -  | -   | -  |
| 4.      | Commission<br>- As % of profit<br>- Others, specify...                              | -  | -   | -  |
| 5.      | Others, please specify  | -  | -   | -  |
|         | Total   | 1,72,35,128                                  | 58,47,841   | 25,04,153  |

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalties/punishments/compounding of offences for the year 31<sup>st</sup> March, 2018.

On behalf of the Board of Directors  
For RAMCO INDUSTRIES LIMITED  
P.R. VENKETRAMA RAJA  
Chairman

Place : Chennai  
Date : 24.05.2018

## ANNEXURE - 4 TO BOARD'S REPORT

### REPORT ON CORPORATE GOVERNANCE

Pursuant to Schedule V C of SEBI (LODR) Regulations, 2015

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Since inception, Ramco Industries Limited assiduously follows its self-determined goals on Corporate Governance. It strives to achieve these objectives through set of systems procedures, Policies, Practices and high standards in dealings and following business ethics in all its activities. The objective of the Company is to protect and enhance the value of all stakeholders of the Company viz. Shareholders, Creditors, Customers and employees.

The Company believes in continuous up-gradation of technology to improve the quality of its production and productivity to achieve newer and better products for total customer satisfaction. The Company lays great emphasis on team building and motivation. The Company has strong faith in innate and infinite potential of human resources. It believes in the creative abilities of the people who work for the Company and believes in investing in their development and growth as foundation for strong and qualitative growth of the Organization.

If there is no customer, there is no business. Customers' continued satisfaction and sensitivity to their needs are the Company's source of strength and security.

The Company also believes that as the Organization grows, the society and the community around it should also grow.

#### 2. BOARD OF DIRECTORS

The Board of Directors of the Company is headed by the Chairman, Shri P.R. Venketrama Raja. Shri P.V.Abinav Ramasubramanian Raja is the Managing Director. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Law, Finance, Engineering etc. The Board has 8 Directors out of which 7 Directors are Non-Executive, including 4 Independent Directors. Independent Directors constitute 50% of the total strength of the Board of Directors as required under the Code of Corporate Governance. There is no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company. The Board reviews and approves strategy and oversees the actions and performance of the Management periodically for enhancing the stakeholders' value.

During the year under review, five Board Meetings were held, one each on 30.05.2017, 04.06.2017, 03.08.2017, 2.11.2017 and 06.02.2018.

Details of attendance of each Director at the Board Meetings held during the year are as follows:

| Sl. No | Name of the Director   | Directorship* | No. of Board Meetings attended | Attendance at last AGM |
|--------|--|---------------|--------------------------------|------------------------|
| 1.     | Shri P.R. Venketrama Raja<br>(Chairman from 4-06-2017)<br>(VCMD upto 03-06-2017)<br>DIN : 00331406 | P & NE        | 5                              | Yes                    |
| 2.     | Shri.P.V.Abinav Ramasubramaniam Raja<br>Managing Director (from 04-06-2017)<br>DIN : 07273249      | P&E           | 4                              | Yes                    |
| 3.     | Shri S.S. Ramachandra Raja<br>DIN : 00331491   | NE            | 5                              | Yes                    |
| 4.     | Shri N.K. Shrikantan Raja<br>DIN : 00350693  | NE            | 5                              | Yes                    |
| 5.     | Shri K.T. Ramachandran<br>DIN : 00351334   | NE & ID       | 3                              | No                     |
| 6.     | Shri R.S. Agarwal<br>DIN : 003012594   | NE & ID       | 5                              | Yes                    |
| 7.     | Shri V. Santhanaraman<br>DIN : 00212334  | NE & ID       | 5                              | No                     |
| 8.     | Smt. Justice Chitra Venkataraman<br>DIN : 07044099   | NE & ID       | 5                              | No                     |

\* P- Promoter; E- Executive ; NE - Non-Executive; ID - Independent Director

**Other Directorships**

The Number of other Boards or Board Committees in which the Director is a Member or Chairperson as on 31-03-2018 is given below :

| No | Name of the Director                    | Other Directorships * | Committee Positions ** |        |
|----|---|-----------------------|------------------------|--------|
|    |   |                       | Chairperson            | Member |
| 1. | Shri P.R. Venketrama Raja               | 9                     | 3                      | 5      |
| 2. | Shri.P.V.Abinav Ramasubramaniam Raja    | 3                     | -                      | -      |
| 3. | Shri S.S. Ramachandra Raja              | 3                     | -                      | 1      |
| 4. | Shri N.K. Shrikantan Raja               | 6                     | 3                      | 5      |
| 5. | Shri R.S. Agarwal                       | 4                     | 1                      | 3      |
| 6. | Shri K.T. Ramachandran                  | 0                     | 0                      | 0      |
| 7. | Shri V. Santhanaraman                   | 2                     | 0                      | 0      |
| 8. | Smt Justice Chitra Venkataraman (Retd.) | 2                     | 1                      | 1      |

\* Public Limited Companies, other than Ramco Industries Limited.

\*\* Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies, other than Ramco Industries Limited.

**Disclosure of relationships between directors inter-se**

Shri P.R. Venketrama Raja, Chairman is the father of Shri.P.V.Abinav Ramasubramaniam Raja, Managing Director.

**Details of familiarisation programme for Independent Directors**

The details of the Familiarisation Programme for Independent Directors are available at the Company's website, at the following link at [http://www.ramcoindltd.com/boards\\_of\\_directors.html](http://www.ramcoindltd.com/boards_of_directors.html).

The Board of Directors periodically reviews Compliance Reports pertaining to all Laws applicable to the Company. No non-compliance was reported during the year under review.

The Board is also satisfied itself that plans are in place for orderly succession for appointment of Board of Directors and Senior Management.

A Code of Conduct has been laid out for all Members of the Board and Senior Management suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013.

The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of SEBI (LODR) Regulations, 2015 have been adequately complied with.

**3. AUDIT COMMITTEE**

The terms of reference of the Audit Committee include:

- i) To review the reports of Internal Audit Department;
- ii) To review the Auditors' Report on the financial statements;
- iii) To review and approve the Related Party Transactions;
- iv) To review the Annual Cost Audit Report of the Cost Auditor;
- v) To review the Annual Secretarial Audit Report of the Secretarial Auditor;
- vi) To review the strength and weakness of the internal controls and to provide recommendations relating thereto;
- vii) To generally assist the Board to discharge their functions more effectively.
- viii) To review the financial statements and any investments made by the Company/Subsidiary Company.

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed by LODR and Companies Act, 2013.

**Composition :**

The Audit Committee consists of the following Directors:

| Sl. No. | Name of the Director                         | No. of Meetings attended |
|---------|--|--------------------------|
| 1.      | Shri R.S. Agarwal, Chairman of the Committee | 5                        |
| 2.      | Shri P.R. Venketrama Raja *                  | 2                        |
| 3.      | Shri K.T. Ramachandran                       | 3                        |
| 4.      | Smt. Justice Chitra Venkataraman (Retd.)     | 5                        |

\* Appointed as Member from 3.8.2017

No. of Meetings held during the year : Five  
Date of Meetings : 29.05.2017, 04.06.2017, 03.08.2017, 1.11.2017 and 06.02.2018

The Statutory Auditors, Chief Executive Officer, Chief Financial Officer and Head of Internal Audit Department are invitees to the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

The representatives of the Cost Auditor and Secretarial Auditor are invited to attend the meeting of the Audit Committee when their reports are tabled for discussion.

Out of four members, three members of the Audit Committee are Independent Directors in compliance with the requirement of 2/3rd as stipulated in Regulation 18 (1) (b) of LODR.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee discharges the functions as envisaged for it by the Companies Act, 2013, LODR and functions as mandated by the Board of Directors from time to time. The Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the company.

The complete details about the terms of reference for Nomination and Remuneration Committee and Nomination and Remuneration Policy are available at Company's website.

##### Composition :

The Nomination and Remuneration Committee consists of the following Directors :

| Sl. No. | Name of the Director                         | No. of Meetings attended |
|---------|--|--------------------------|
| 1.      | Shri R.S. Agarwal, Chairman of the Committee | 2                        |
| 2.      | Shri K.T. Ramachandran                       | 1                        |
| 3.      | Shri N.K. Shrikantan Raja                    | 2                        |

No. of Meetings held during the year : Two  
Date of the Meetings : 29.5.2017 and 4.6.2017

The Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board and Committee Meetings, which shall be taken into account at the time of reappointment of Independent Director.

#### 5. REMUNERATION OF DIRECTORS

The Non-Executive Directors are paid Sitting Fee of 25,000/- per meeting for attending the Board and Committees thereof.

There is no pecuniary relationship or transactions of Non-Executive Directors vis-a-vis the Company. ₹ In lacs)

| Name of the Director                     | Sitting Fee | Remuneration | Commission | No. of Shares held |
|--|-------------|--------------|------------|--------------------|
| Shri P.R. Venketrama Raja                | 2.25        | 72.68*       | Nil        | 62,20,655          |
| Shri.P.V.Abinav Ramasubramaniam Raja     | 1.00        | 206.57**     | Nil        | 40,000             |
| Shri S.S. Ramachandra Raja               | 1.25        | Nil          | Nil        | 4,07,680           |
| Shri N.K. Shrikantan Raja                | 2.00        | Nil          | Nil        | 1,20,140           |
| Shri K.T. Ramachandran                   | 2.00        | Nil          | Nil        | 4,47,171           |
| Shri R.S. Agarwal                        | 3.50        | Nil          | Nil        | Nil                |
| Shri V. Santhanaraman                    | 1.50        | Nil          | Nil        | Nil                |
| Smt. Justice Chitra Venkataraman (Retd.) | 2.75        | Nil          | Nil        | Nil                |

\* Shri P.R. Venketrama Raja was appointed as Vice Chairman and Managing Director of the Company for a period of 3 years from 1.4.2017 vide Special Resolution passed by the Shareholders at their AGM held on 4.8.2016. However, due to the passing away of Shri P.R. Ramasubrahmaneya Rajha, erstwhile Chairman, Shri P.R. Venketrama Raja had relinquished his post as Vice Chairman and Managing Director and was appointed as Chairman by the Board of Directors at its meeting held on 4.6.2017. Hence, Shri P.R.Venketrama Raja, Chairman, had been paid remuneration till such time he occupied the position as Vice Chairman and Managing Director of the Company viz. upto 3.6.2017, after deducting the remuneration paid by Ramco Systems Limited, where also he was a Vice Chairman and Managing Director, upto 3.6.2017.

The remuneration to Shri P.R. Venketrama Raja, Chairman, is governed by the resolution passed by the shareholders at the Annual General Meeting held on 4.08.2016 and the remuneration is equivalent to 5% of the Net Profits of the Company.

\*\* Shri P.V. Abinav Ramasubramaniam Raja, had been appointed as Managing Director of the Company for a period of five years with effect from 4.6.2017 by the Shareholders at their AGM held on 4.8.2017 at a remuneration equivalent to 5% of the net profits of the Company or M/s. Ramco Systems Limited (RSL) whichever is higher, by way of monthly salary, allowances, other perquisites / benefits and commission or in any other combination as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and fixed the maximum remuneration payable to Shri P.V. Abinav Ramasubramaniam Raja which shall not exceed 3% of net profits of either RIL or RSL whichever is higher, for first 2 years.

Hence, Shri P.V. Abinav Ramasubramaniam Raja, Managing Director, had been paid remuneration from 4.6.2017 after deducting the remuneration paid by Ramco Systems Limited, where also he is a Whole Time Director.

The complete details of remuneration paid to Directors are given in Form MGT-9, forming part of annexure to Board's Report.

#### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of the following Directors :

| Sl. No. | Name of the Director                                   | No. of Meetings attended |
|---------|--|--------------------------|
| 1.      | Shri P.R. Venketrama Raja<br>Chairman of the Committee | 1                        |
| 2.      | Shri N.K. Shrikantan Raja                              | 1                        |

|   |  |
|---|--|
| Name of Non-Executive Director heading the Committee  | Shri P.R. Venketrama Raja                                      |
| Name and Designation of Compliance Officer            | Shri S. Balamurugasundaram<br>Secretary and Senior GM ( Legal) |
| No. of complaint received during the year             | 0  |
| Number not solved to the Satisfaction of shareholders | 0  |
| Number of pending complaints                          | Nil  |

No. of Meeting held during the year : One

Date of the Meeting : 06.02.2018

#### 7. GENERAL MEETINGS

i. Location and time, where last three AGMs held :

| Year ended | Date       | Time       | Venue   |
|------------|------------|------------|---|
| 31.03.2015 | 23.09.2015 | 10.00 A.M  | P.A.C.R.Centenary Community Hall<br>P.A.C.Ramasamy Raja Salai<br>Rajapalayam 626 108 (Tamil Nadu) |
| 31.03.2016 | 04.08.2016 | 11.00 A.M  | - do -  |
| 31.03.2017 | 04.08.2017 | 11.00 A.M. | -do-  |

ii. Details of Special Resolutions passed in the previous three Annual General Meetings

| Date of the AGM | Subject Matter of the Special Resolution  |
|-----------------|---|
| 04.08.2017      | Appointment of Shri P.V. Abinav Ramasubramaniam Raja as Managing Director of the Company          |
| 04.08.2016      | Re-appointment of Shri P.R. Venketrama Raja as Vice Chairman and Managing Director of the Company |
| 23.09.2015      | To authorize the Company to create charges on assets of the Company                               |
|                 | To authorize the Company to issue Debentures  |

iii. No Special Resolution on matters requiring postal ballot as per Section 110 of the Companies Act, 2013, was passed during the year.

iv. No Special Resolution is proposed to be conducted through Postal

#### 8. MEANS OF COMMUNICATION

The Un-audited Quarterly and Half yearly Financial Results and Audited Annual Results were published in English in Financial Express (All editions) and in Tamil in Makkal Kural (All editions in Tamil Nadu). The results were also displayed on the Company's website www.ramcoindltd.com.

All the financial results are provided to the Stock Exchanges. Official News Releases whenever issued, will be displayed in Company's website.

#### 9. GENERAL SHAREHOLDER INFORMATION

|   |   |  |
|---|---|--|
| a | Annual General Meeting  | On Friday the 3 <sup>rd</sup> August, 2018 at 11.00 A.M at P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam 626 108 (Tamil Nadu)   |
| b | Financial Year  | 1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018  |
| c | Dividend Payment date   | From 10.08.2018 onwards  |
| d | Name and Address of Stock Exchanges where the Company's Securities are Listed                     | 1. BSE Limited<br>P J Towers, Dalal Street, Mumbai 400001<br>2. National Stock Exchange of India Limited<br>Exchange Plaza, Bandra Kurla Complex, Bandra, Mumbai - 400 051<br>The Annual Listing fees for the year 2018-19 had been paid to the Stock Exchanges  |
| e | Stock Code<br>BSE Limited<br>National Stock Exchange of India Limited                             | 532369<br>RAMCOIND EQ  |
| f | Market Price Data   | Enclosed as Annexure - A   |
| g | Performance in Comparison to broad based indices  |  |
| h | Whether the securities are suspended from trading   | No   |
| i | Registrar and Share Transfer Agents   | M/s. Cameo Corporate Services Limited<br>Subramanian Building<br>No: 1, Club House Road<br>CHENNAI 600 002.<br>(Telephone No. : 044-2846 0390; Fax No.: 044-28460129)  |
| j | Share Transfer System   | For shares held in electronic mode, transfers are effected under the depository system of NSDL and CDSL. For shares held in physical mode certificates are to be submitted to the Company along with the required security transfer forms. The Company effects the transfers within 15 days, if the documents are found in order and the certificates are sent to the transferees. In the case of defective documents, the same are returned with the reasons to the transferees within 15 days. |
| k | Distribution of Shareholding  | Enclosed in Annexure - B   |
| l | Dematerialisation of Shares & liquidity   | As on 31 <sup>st</sup> March, 2018, 95.75% of the Company's Shares have been dematerialized. Regarding liquidity of our Company's shares, the details are available in Annexure - A  |
| m | Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, date and likely impact on equity | Nil  |
| n | Commodity Price Risk or Foreign Exchange Risk and Hedging Activities                              | With respect to Buyers' Credit in foreign currencies, forward contracts are booked taking into account, the cost of hedging and the foreign currency receivables. The currency rate movements are monitored closely for taking covers with respect to unhedged portions, if any  |

**o. PLANT LOCATIONS :**

|   |   |
|---|---|
| <p>(a) Building Products Division :<br/>                 (i) Fibre Cement Sheet Units :</p> | <ol style="list-style-type: none"> <li>1. Arakkonam, <b>Tamil Nadu</b></li> <li>2. Karur, <b>Karnataka</b></li> <li>3. Maksi, <b>Madhya Pradesh</b></li> <li>4. Silvassa, <b>U.T of Dadra &amp; Nagar Haveli</b></li> <li>5. Kharagpur, <b>West Bengal</b></li> <li>6. Ibrahimpatnam, <b>Vijayawada, A.P.</b></li> <li>7. Sinugra Village, Anjar Taluk, <b>Gujarat</b></li> <li>8. Gangaikondan, Tirunelveli Dist., <b>Tamil Nadu</b></li> <li>9. Bihiya, Bhojpur District, <b>Bihar</b></li> </ol> |
| <p>(ii) Fibre Cement Pressure Pipes unit:</p>   | <p>Maksi, <b>Madhya Pradesh</b></p>   |
| <p>(iii) Calcium Silicate Board unit :</p>  | <p>Arakkonam, <b>Tamil Nadu</b>/<br/>Kotputli, <b>Rajasthan</b></p>   |
| <p>(iv) Cement Clinker Grinding unit :</p>  | <p>Kharagpur, <b>West Bengal</b></p>  |
| <p>(b) Textile Division :<br/>Cotton Yarn Spinning unit</p>                                 | <p>Rajapalayam, <b>Tamil Nadu</b></p>   |
| <p>(c) Wind farm Division :</p>   | <ol style="list-style-type: none"> <li>1. Tirunelveli and Coimbatore Districts, <b>Tamil Nadu</b></li> <li>2. Chitradurga and Hassan Districts, <b>Karnataka</b></li> <li>3. Kutch District, <b>Gujarat</b></li> </ol>  |

p. Address of Corporate Office for Shareholders' Correspondence/ enquires

S. BALAMURUGASUNDARAM

Company Secretary (Compliance Officer) & Senior General Manager- Legal

Ramco Industries Limited

"Auras Corporate Centre", VI Floor

98-A, Dr.Radhakrishnan Road

Mylapore, Chennai - 600 004

Phone: 044-2847 8585; Fax: 044-28478597; e-mail : bms@ril.co.in

**10. OTHER DISCLOSURES**

- a. There was no materially significantly related party transactions made by the Company that may have potential conflict with the interests of the Company at large.
  - b. There are no instances of non-compliance by the Company and no penalties or strictures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years.
  - c. The Company has a Whistle Blower Policy, available at the Company's website and it is affirmed that no personnel has been denied access to the Audit Committee.
  - d. The Company has complied with the Mandatory requirements. The status of adoption of the Non-Mandatory requirements is given below:
    - i. The Company's financial statements are with unmodified audit opinion for the year 2017-18.
  - e. The Material Subsidiary Policy is disclosed in the Company's website and its weblink is - [http://www.ramcoindltd.com/files/MATERIAL\\_SUBSIDIARY\\_POLICY\\_2015.pdf](http://www.ramcoindltd.com/files/MATERIAL_SUBSIDIARY_POLICY_2015.pdf)
  - f. The Related Party Transaction Policy is disclosed in the Company's website and its weblink is - [http://www.ramcoindltd.com/files/RELATED\\_PARTY\\_TRANSACTION\\_POLICY\\_RIL.pdf](http://www.ramcoindltd.com/files/RELATED_PARTY_TRANSACTION_POLICY_RIL.pdf).
  - g. The details relating to commodity price risks and commodity hedging activities are not applicable.
11. The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations.
  12. The extent to which the discretionary requirements specified in Part E of Schedule II have been adopted is given against Clause 10(d) above.
  13. The Company has no material subsidiary.
  14. The Minutes of the Meeting of the Board of Directors of the unlisted subsidiaries are being placed before the Board of Directors of the Company.



15. The Management of the unlisted subsidiaries periodically brings to the notice of the Board, a statement on significant transactions and arrangements entered into by them.
16. Senior Management Personnel discloses to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.
17. The Company submits quarterly compliance report on Corporate Governance to the Stock Exchanges, in the prescribed format within 15 days from the close of the quarter duly signed by the Compliance Officer.
18. As required under Regulation 46(2) of SEBI (LODR) Regulations, the following information have been duly disseminated in the Company's website.
- \* Terms and conditions of appointment of Independent Directors
  - \* Composition of various committees of Board of Directors
  - \* Code of Conduct of Board of Directors and Senior Management Personnel
  - \* Details of establishment of Vigil Mechanism/Whistle Blower Policy
  - \* Policy on dealing with Related Party Transactions
  - \* Policy for determining 'Material' Subsidiaries
  - \* Details of Familiarization Programmes imparted to Independent Directors
19. The various disclosures made in the Board's Report, may be considered as disclosures made under this report.
20. The Company has also the following Committees of Board of Directors :

a. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

| Sl. No. | Name of the Director                                       |
|---------|--|
| 1       | Shri P.R. Venketrama Raja<br>Chairman of the Committee     |
| 2       | Shri R.S. Agarwal  |
| 3       | Shri P.V. Abinav Ramasubramaniam Raja<br>(w.e.f. 4.6.2017) |

No. of Meetings held during the year : One

Date of the Meeting : 30.5.2017

b. RISK MANAGEMENT COMMITTEE

MEMBERS

| Sl. No. | Name of the Director                                  |
|---------|---|
| 1       | Shri.P.R.Venketrama Raja<br>Chairman of the Committee |
| 2       | Shri Prem G Shanker, CEO                              |

21. CREDIT RATINGS :

The Company's Credit Rating agencies viz. ICRA and CRISIL have rated our borrowing programmes as follows :

₹ in Lacs

| Security   | Outstanding as on 31.03.2018 | Limit Amount | Rating      | Rating Agency |
|--|------------------------------|--------------|-------------|---------------|
| Commercial Papers  | 0                            | 5000         | A 1 +       | CRISIL        |
| Fund Based Facilities                                    |                              |              |             |               |
| Cash Credit / Short Term Loans / BC and other Facilities | 13,003                       | 35000        | A1 +        | ICRA          |
| Non-Fund Based Facilities                                | 1,147                        |              |             |               |
| Long Term Loans from Banks                               | 8,256                        | 15000        | A+ (stable) |               |

**22. DISCLOSURES WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT**

| No. | Details   | No. of Shareholders | No. of Shares of ₹ 1/- each |
|-----|---|---------------------|-----------------------------|
| (1) | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; | 37                  | 84,660                      |
| (2) | Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;       | 2                   | 5,000                       |
| (3) | (i) Number of shareholders to whom shares were transferred from suspense account during the year;                       | 2                   | 5,000                       |
|     | (ii) Shares transferred to IEPF   | 26                  | 65,180                      |
| (4) | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;       | 9                   | 14,480                      |
| (5) | That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.    |                     |                             |

- 23.** Declaration signed by the Chief Executive Officer of the Company as per Schedule V(D) of LODR, on compliance with the Code of Conduct is annexed.
- 24.** Compliance Certificate as per Regulation 17(8) read with Part B of Schedule II of LODR, provided by the Chief Executive Officer and Chief Financial Officer is annexed.

## DECLARATION

As provided under Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March 2018.

Place : Chennai  
Date : May 24, 2018

For Ramco Industries Limited  
Prem G Shanker  
Chief Executive Officer

To  
The Board of Directors  
Ramco Industries Limited  
Rajapalayam.

### Certification under Regulation 17(8) of SEBI (LODR) Regulations

We hereby certify that -

- A. We have reviewed the financial statements and the cash flow statement for the year 2017-18 and that to the best of our knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and Audit Committee that-
  - i. there are no Significant changes in the internal control over the financial reporting during the year;
  - ii. there are no significant changes in Accounting Policies, during the year;
  - iii. there are no instances of significant fraud of which we have become aware.

K.Sankaranarayanan  
Chief Financial Officer

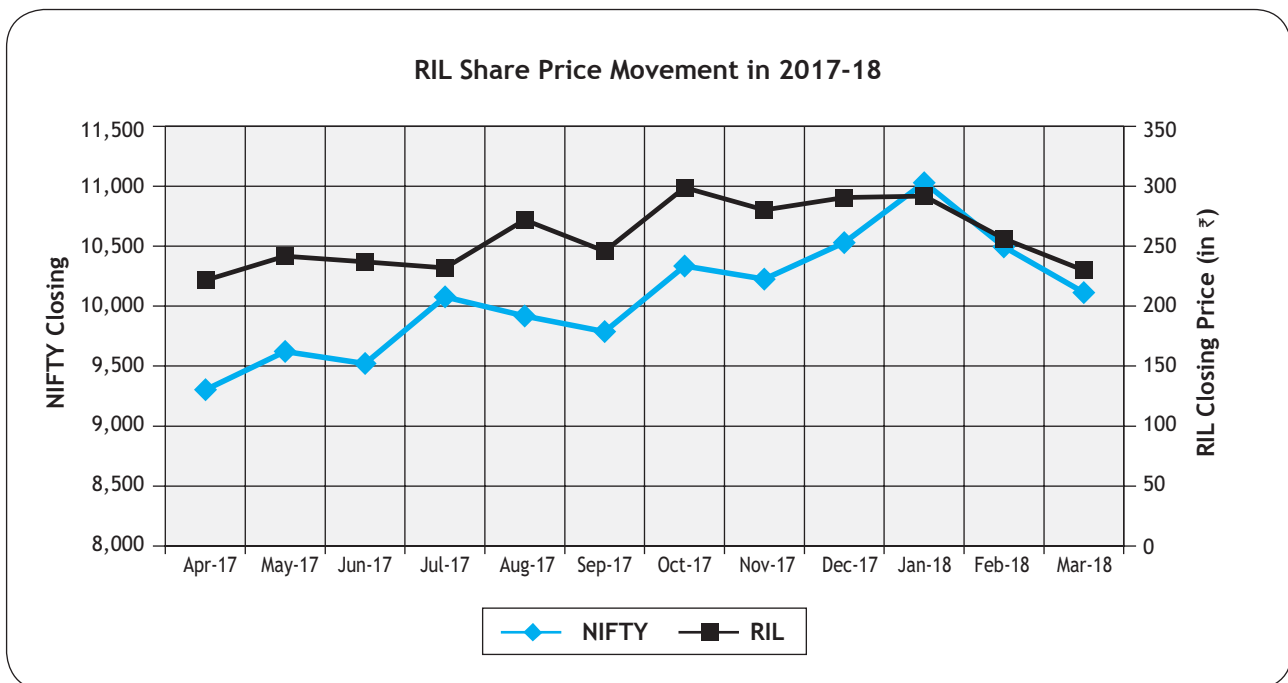
Place : Chennai  
Date : 24.05.2018

Prem G Shanker  
Chief Executive Officer

**STATISTICAL DATA - Share Price - High & Low - Traded Volume (During April, 2017 to March, 2018 in NSE and BSE)**

| Month           | NSE        |           |            | BSE        |           |            |
|-----------------|------------|-----------|------------|------------|-----------|------------|
|                 | High Price | Low Price | Qty.Traded | High Price | Low Price | Qty.Traded |
| April, 2017     | 253.70     | 217.95    | 22,14,312  | 254.00     | 218.55    | 6,60,805   |
| May, 2017       | 257.95     | 212.40    | 43,65,943  | 257.60     | 212.20    | 10,42,653  |
| June, 2017      | 267.85     | 228.20    | 42,85,875  | 268.00     | 229.00    | 11,18,525  |
| July, 2017      | 251.95     | 231.00    | 26,86,122  | 251.90     | 231.40    | 7,34,684   |
| August, 2017    | 276.00     | 217.85    | 41,99,702  | 275.00     | 218.50    | 11,34,900  |
| September, 2017 | 291.60     | 232.70    | 35,46,064  | 292.00     | 233.80    | 8,36,675   |
| October, 2017   | 317.05     | 242.15    | 54,97,363  | 317.00     | 242.05    | 11,68,045  |
| November, 2017  | 312.00     | 271.50    | 23,36,269  | 310.90     | 271.05    | 6,09,995   |
| December, 2017  | 304.95     | 261.05    | 25,86,897  | 304.90     | 262.65    | 4,48,118   |
| January, 2018   | 325.70     | 282.50    | 46,27,028  | 326.10     | 282.00    | 11,09,828  |
| February, 2018  | 298.30     | 241.50    | 23,23,845  | 297.05     | 242.00    | 4,76,119   |
| March, 2018     | 262.50     | 227.30    | 18,93,958  | 261.50     | 225.00    | 3,01,448   |

**Share Price Movement - RIL vis-à-vis NSE's NIFTY**



## Pattern of Shareholding as on 31.03.2018

| Description  | No. of Share-holders | %             | No. of Shares (₹ 1/- each) | % to Capital  |
|--|----------------------|---------------|----------------------------|---------------|
| <b>A. PROMOTERS HOLDING</b>                                |                      |               |                            |               |
| Promoter & Promoter Group                                  | 16                   | 0.10          | 4,67,29,821                | 53.92         |
| <b>B. NON-PROMOTERS HOLDING</b>                            |                      |               |                            |               |
| 1. Mutual Funds & UTI                                      | 4                    | 0.02          | 18,50,853                  | 2.14          |
| 2. Alternate Investment Funds                              | 1                    | 0.01          | 2,27,141                   | 0.26          |
| 3. Foreign Portfolio Investors                             | 20                   | 0.12          | 5,86,926                   | 0.68          |
| 4. F.Is / Banks  | 5                    | 0.03          | 14,91,976                  | 1.72          |
| 5. Central/State Govt/s; VCF; Ins. Companies               | 1                    | 0.01          | 65,180                     | 0.08          |
| 6. Foreign Portfolio Investor (Category-III)               | 1                    | 0.01          | 2,500                      | 0.00          |
| 7. Bodies Corporate  | 342                  | 2.12          | 24,85,676                  | 2.87          |
| 8. Individual Shareholders holding nominal Share Capital : |                      |               |                            |               |
| a. Up to ₹ 2.00 Lac  | 14,665               | 91.07         | 1,86,23,499                | 21.49         |
| b. In excess of ₹ 2.00 Lac                                 | 24                   | 0.15          | 1,17,61,962                | 13.57         |
| 9. Others-HUF/NRI/Clearing Members etc.                    | 1,025                | 6.36          | 28,37,526                  | 3.27          |
| <b>Grand Total</b>   | <b>16,104*</b>       | <b>100.00</b> | <b>8,66,63,060</b>         | <b>100.00</b> |

\* Based on PAN for Stock Exchange disclosures

## Distribution of Shareholding as on 31.03.2018

| Range (No. of Shares of ₹ 1 each) | No. of Share holders | %             | No. of Shares (₹ 1/- each) | %             |
|-----------------------------------|----------------------|---------------|----------------------------|---------------|
| Upto - 500                        | 12,408               | 75.10         | 16,58,049                  | 1.91          |
| 501 to 1000                       | 1,560                | 9.44          | 13,38,825                  | 1.54          |
| 1001 to 2000                      | 1,124                | 6.80          | 17,93,917                  | 2.07          |
| 2001 to 3000                      | 312                  | 1.89          | 8,04,087                   | 0.93          |
| 3001 to 4000                      | 200                  | 1.21          | 7,41,366                   | 0.86          |
| 4001 to 5000                      | 159                  | 0.96          | 7,54,978                   | 0.87          |
| 5001 to 10000                     | 323                  | 1.95          | 24,40,798                  | 2.82          |
| 10001 & above                     | 436                  | 2.64          | 7,71,31,040                | 89.00         |
| <b>Total</b>                      | <b>16,522</b>        | <b>100.00</b> | <b>8,66,63,060</b>         | <b>100.00</b> |

## Category of Shareholding as on 31.03.2018

| Category              | No. of Share Holders | %             | No. of Shares held | %             |
|-----------------------|----------------------|---------------|--------------------|---------------|
| Dematerialised Form : |                      |               |                    |               |
| NSDL                  | 9,740                | 58.95         | 6,09,19,859        | 70.29         |
| CDSL                  | 6,584                | 39.85         | 2,20,64,190        | 25.46         |
| Physical Form         | 198                  | 1.20          | 36,79,011          | 4.25          |
| <b>Total</b>          | <b>16,522</b>        | <b>100.00</b> | <b>8,66,63,060</b> | <b>100.00</b> |

Total Shareholders - 16,104 (after merging 1st Holder PAN)

**AUDITORS' CERTIFICATE**  
(under Schedule V(E) of LODR 2015)

This is to certify that we, the Auditors of M/s. RAMCO INDUSTRIES LIMITED, Rajapalayam, have reviewed the compliance by the Company of the conditions of Corporate Governance as stipulated in Schedule II of LODR 2015 and report that all the conditions contained therein have been complied with by the Company.

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 0150415

G. CHELLA KRISHNA  
Partner  
Membership No. 210474  
3<sup>rd</sup> Floor, Anmol Palani Building ,  
88,G.N.Chetty Road,  
T.Nagar, Chennai - 600 017.

Place: Chennai  
Date : 24<sup>th</sup> May, 2018

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 0053335

M.VIJAYAN  
Partner  
Membership No. 026972  
1D, Shanthi Nikethan,  
Rathinasamy Nadar Road,  
Bibikulam, Madurai-625 002

**ANNUAL REPORT ON CSR ACTIVITIES**

1 A brief outline of the Company's CSR Policy

The objective of the CSR Policy is to

- Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- To directly or indirectly take up programmes that benefit the communities in and around its work locations and results, over a period of time, in enhancing the quality of life and economic well being of the local populace.
- To generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.

Weblink to the CSR Policy: [http://www.ramcoindltd.com/CSR\\_POLICY\\_OF\\_RIL.pdf](http://www.ramcoindltd.com/CSR_POLICY_OF_RIL.pdf)

2 The Composition of the CSR Committee:

- Shri.P.R.Ventetrama Raja, Chairman of the Committee
- Shri.P.V.Abinav Ramasubramaniam Raja, Member
- Shri.R.S.Agarwal, Member

3 Average net profit of the Company for last three financial years - ₹ 30.65 crore

4 Prescribed CSR Expenditure - ₹ 61.30 lacs (2% of the amount as in item 3 above)

5 Details of CSR spent during the financial year

- Total amount spent for the financial year - ₹ 76.17 lacs
- Amount unspent, if any - NIL

(₹ in lakhs)

c. Manner in which the amount spent during the financial year is detailed below:

| 1     | 2   | 3  | 4   | 5  | 6  | 7   |
|-------|---|--|---|--|--|---|
| S. No | CSR project or activity identified & Sector in which the project is covered   | Projects or Programs   | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs | Cumulative Expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
|       |   | Substantial amount has been spent in most of the districts in the States where our plants are situated | Actuals   | Direct Expenditure                       |  | Spent Directly                                      |
| 1     | Eradication of Hunger, poverty , malnutrition making available safe drinking water , promotion of healthcare, including preventive healthcare   | -- do --   | 36.94   | -- do --                                 |  | 36.94   |
| 2     | Promoting education, including Special Education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | -- do --   | 3.85  | -- do --                                 |  | 3.85  |

| 1     | 2  | 3  | 4   | 5  | 6  | 7   |
|-------|--|--|---|--|--|---|
| S. No | CSR project or activity identified & Sector in which the project is covered  | Projects or Programs   | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs | Cumulative Expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
|       |  | Substantial amount has been spent in most of the districts in the States where our plants are situated | Actuals   | Direct Expenditure                       |  | Spent Directly                                      |
| 3     | Promoting Gender equality , empowering women, setting up homes and hostels for women and orphans etc   | -- do --   | 0.30  | -- do --                                 |  | 0.30  |
| 4     | Ensuring Environmental Sustainability ,ecological balance, protection of flora and fauna, animal welfare etc.,   | -- do --   | 2.15  | -- do --                                 |  | 2.15  |
| 5     | Protection of national Heritage, Art and Culture ,promotion and development of traditional arts, restoration of building and sites of historical importances | -- do --   | 6.38  | -- do --                                 |  | 6.38  |
| 6     | Measures for the benefit of Armed forces   | -- do --   | 0.00  | -- do --                                 |  | 0.00  |
| 7     | Training to promote rural sports ,national recognised sports,paraolympic sports etc.,  | -- do --   | 1.88  | -- do --                                 |  | 1.88  |
| 8     | Contribution to Chief Minister / Prime Minister Relief Fund  | -- do --   | 0.00  | -- do --                                 |  | 0.00  |
| 9     | Rural Development Projects   | -- do --   | 24.67   | -- do --                                 |  | 24.67   |
|       | <b>Total</b>   |  |   |  |  | <b>76.17</b>  |

The CSR Committee Confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company..

Place : Chennai  
Date : 24.05.2018

Sd/-  
P.R.VENKETRAMA RAJA  
CHAIRMAN

Sd/-  
PREM G SHANKER  
CHIEF EXECUTIVE OFFICER

Annexure - 7

### Form AOC-2

[Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL
2. Details of material contracts or arrangement or transactions at arm's length basis -

M/s. Raja Charity Trust who has been appointed as Sole Selling Agent by the Company has received commission of ₹ 616 lakhs for the sales made through them of ₹ 62967 lakhs during the year 2017-18 (as approved by Shareholders in the EGM held on 19.03.2012 for the period upto 2.05.2017 and AGM held on 4.08.2016 for the period from 3.05.2017).

On behalf of the Board of Directors  
For RAMCO INDUSTRIES LIMITED

Place : Chennai  
Date : 24.05.2018

P.R.VENKETRAMA RAJA  
CHAIRMAN

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION  
AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

In terms of Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, the following information is furnished for the year ended 31.03.2018.

| <b>A. CONSERVATION OF ENERGY (pertaining to Building Products Division)</b>   |   |
|---|---|
| (a) the Steps taken or impact on conservation of energy   | 1. Higher load Liquid ring vacuum pumps were replaced by Lower load Reciprocating vacuum pump and roots blower<br>2. Drives provided for higher capacity motors to optimize the energy  |
| (b) the steps taken by the Company for utilising alternate sources of energy  | Wind energy has been efficiently utilised   |
| (c) The capital investment on energy conservation equipments  | 58 Lakhs  |
| <b>B. TECHNOLOGY ABSORPTION</b>   |   |
| (i) Efforts made in Technology Absorption   | 1. Testing Method to find Strength of Asbestos fibre from URAL - Russia<br>2. Carbonation test for Greencor breathability.<br>3. Painting tests from Srilankan consultant.  |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution            | 1. The fibre quantity optimized to improve the product quality.<br>2. Customized the Recron quality with additional coating for our requirement for substitution for Asbestos fibre to reduce the cost with required quality of product.<br>3. The paint Cost optimized.<br>4. Got the following certifications.<br>CE Marking for both HILUX and HICEM<br>ISO 9001:2015 and ISO 14001:2015(AKM)<br>Fire rating tests 2Hrs and 4Hrs |
| (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) | NIL   |
| (a) The details of technology imported  | NIL   |
| (b) The year of Import  | NIL   |
| (c) Whether the technology been fully absorbed  | NIL   |
| (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and                       | NIL   |
| (iv) The expenditure incurred on Research and Development   | 68.83 Lakhs   |



**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION  
AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

In terms of Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, the following information is furnished for the year ended 31.03.2018.

| <b>A. CONSERVATION OF ENERGY (pertaining to Cotton Yarn Division)</b>  |  |
|--|--|
| (a) the Steps taken or impact on conservation of energy  | <ol style="list-style-type: none"> <li>In B unit G5/1 Ring frame, existing compact system is being controlled to Cetrilised Duct System to improve performance and save energy.</li> <li>We have replaced existing conventional Tube Lights by LED Tube Lights in our all Unit</li> <li>Internal Energy Audit and conservation measure is being adopted periodically.</li> </ol> |
| (b) the steps taken by the Company for utilising alternate sources of energy   | Already the Company had invested on windmills to generate green energy for their captive consumption.  |
| (c) The capital investment on energy conservation equipments   | Nil  |
| <b>B. TECHNOLOGY ABSORPTION</b>  |  |
| (i) Efforts made in Technology Absorption  | <ol style="list-style-type: none"> <li>We have installed new Murata Multi Coner - FPRO-Plus Winding Machine.</li> <li>Installed Spindle Monitoring System - to analyse individual spindle performance in Ring Frame</li> </ol>   |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution           | There is saving in energy and improved product being offered for Indian and International Yarn Market.   |
| (iii) Incase of Imported technology (imported during the last 3 years reckoned from the beginning of the financial year) | Nil  |
| (a) The details of technology imported   | Nil  |
| (b) The year of Import   | Nil  |
| (c) Whether the technology been fully absorbed   | Not Applicable   |
| (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and                      | Not Applicable   |
| (iv) The expenditure incurred on Research and Development  | Not Applicable   |
| <b>C. FOREIGN EXCHANGE EARNINGS AND OUTGO (pertaining to Cotton Yarn Division)</b>                                       |  |
| (a) Foreign exchange earned in terms of actual inflows during the year   | ₹ 3,724.38 in Lakhs  |
| (b) Foreign exchange out go during the year in terms of actual outflows  | ₹ 2,454.56 in Lakhs  |

Annexure - 9

**I. Disclosures relating to remuneration under Section 197(12) of the Companies Act, 2013, read with Rule 5(1), (2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

i.& ii. The ratio of the remuneration of each director to the median remuneration of the employees of the company and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the Financial Year 2017-18.

| Name of the Director / KMP and Designation            | Remuneration of the Director / KMP for financial year 2017-18<br>₹ in lakhs | % increase in remuneration in the financial year 2017-18 | Ratio of Remuneration of each Director / to median remuneration of employees | Comparison of remuneration of the KMP against the performance of the Company  |
|---|---|--|--|---|
| Shri P.R. Venketrama Raja                             | 74.93   | -  | 183:1  | The Profit Before Tax increased by 35% and Profit After Tax by 20% in 2017-18 |
| Shri P.V.Abinav Ramasubramaniam Raja                  | 207.57  | -  | 101:1  | The Profit Before Tax increased by 35% and Profit After Tax by 20% in 2017-18 |
| Shri S.S. Ramachandra Raja                            | 1.25  | 66.00  | 0.51:1   |   |
| Shri K.T. Ramachandran                                | 2.00  | -  | 0.81:1   |   |
| Shri N.K. Shrikantan Raja                             | 2.00  | 14.00  | 0.81:1   |   |
| Shri R.S. Agarwal                                     | 3.50  | 7.70   | 1.42:1   |   |
| Shri V. Santhanaraman                                 | 1.50  | 20.00  | 0.61:1   |   |
| Smt. Justice Chitra Venkataraman (Retd.)              | 2.75  | 22.00  | 1.12:1   |   |
| Shri Prem G Shanker<br>(Chief Executive Officer)      | 172.35  | 30.00  | 70:1   | The Profit Before Tax increased by 35% and Profit After Tax by 20% in 2017-18 |
| Shri K. Sankaranarayanan<br>(Chief Financial Officer) | 58.48   | 8.5  | 23:1   |   |
| Shri S. Balamurugasundaram<br>(Company Secretary)     | 25.04   | 9.2  | 10:1   |   |

- iii. The median remuneration of the employees during the financial year was ₹ 2,45,637/- and the percentage increase in the median remuneration was 11.98%.
- iv. There were 1,274 permanent employees on the rolls of the Company, as on 31<sup>st</sup> March 2018.
- v. Explanation on the relationship between average increase in remuneration and the company's performance:  
There was no relationship between the average increase in remuneration and the Company's performance, as except Bonus and Incentives the rest of the components of the remuneration are not directly linked to the performance of the Company.
- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:  
The total remuneration of Key Managerial Personnel increased by 2.21% (i.e.) from ₹ 5.27 Crores in 2016-17 to ₹ 5.38 Crores in 2017-18, whereas the Profit before tax increased by 35% and Profit after tax increased by 20% in financial year 2017-18.
- vii. a. Variations in the market capitalisation of the Company: The market capitalisation of ₹ 2,072.98 Crores as on 31<sup>st</sup> March, 2017 had decreased to ₹ 1992.81 Crores as on 31<sup>st</sup> March 2018, showing a decrease of 3.87%.  
b. Price earning ratio: The price earning ratio of the Company was 27.67 as at 31<sup>st</sup> March 2018 and was 34.62 as at 31<sup>st</sup> March, 2017.  
c. Percentage increase or decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year: The Company has not come out with public issue. However, a Shareholder investing ₹ 10/- in the share capital of the Company at the time of incorporation, would have received ₹ 1850.49 as dividend. The said investment of ₹ 10/- would have risen to a value of ₹ 31043 as on 31-03-2018.
- viii. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2017-18 was 6.47% and the increase in the managerial remuneration of KMP for the same financial year was 2.23%.
- ix. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company - Provided under i & ii above.
- x. MD's remuneration is 3% of the profits of the Company for first 2 years and 5% for remaining period of 5 years, calculated in accordance with Section 198 of the Companies Act, 2013 and in case of inadequate profits, remuneration is based on Section II Part II of Schedule V of the Companies Act, 2013.

- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not applicable.
- xii. It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.

## II. Disclosures relating to remuneration under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) Particulars of Top 10 employees in terms of remuneration drawn and particulars of employees employed throughout the financial year 2016-17 and was in receipt of remuneration, in the aggregate, not less than ₹ 1.02 Crores.

| Sl No | Name                            | Designation                                | Remuneration (in lakhs) | Qualificaton and Experience   | Date of commencement of employment | Age  | Last employment                                |
|-------|---------------------------------|--|-------------------------|---|------------------------------------|------|--|
| 1     | VENKETRAMA RAJA P R             | Chairman                                   | 74.93                   | BACHELORS DEGREE IN CHEMICAL ENGG., MASTERS DEGREE IN BUSINESS MANAGEMENT | 16-07-1993                         | 59   | N.A.   |
| 2     | ABINAV RAMASUBRAMANIAM RAJA P V | Managing Director                          | 207.57                  | INTERNATIONAL BACCALAUREATE, BACHELORS OF SCIENCE IN INDUSTRIAL ENG       | 04-06-2017                         | 24.8 | N.A.   |
| 3     | PREM G SHANKER                  | Chief Executive Officer                    | 172.35                  | B.TECH,MS IN MECHANICAL ENGINEERING, DIPLOMA IN MANAGEMENT (33)           | 09-10-2008                         | 54.8 | TEXMO INSUTRIES, COIMBATORE                    |
| 4     | RANGARAJAN G                    | Vice President Technical                   | 59.00                   | B TECH (Mech. Engg.),DIPLOMO IN OPERATIONS MANAGEMENT (36)                | 16-01-2015                         | 58   | UCAL FUEL SYSTEMS LTD., CHENNAI                |
| 5     | SANKARANARAYANAN K              | Chief Financial Officer                    | 58.48                   | B COM, ACA, AICWA, ACS (30)   | 05-09-2013                         | 51   | RANE ENGINE VALVES LTD.                        |
| 6     | NARAYANSWAMY P                  | Vice President Marketing                   | 55.13                   | B Com, M B A (28)   | 21-12-2015                         | 49   | Allied Blenders & Distillers P Ltd             |
| 7     | SAMBASIVAM SRINIVAS             | Vice President Marketing & Sales           | 52.42                   | B Sc ZOOLOGY, PGDBA - MARKETING (31)                                      | 05-06-2013                         | 52   | ACO SYSTEMS AND SOLUTIONS PVT. LTD., BANGALORE |
| 8     | NAGENDRAN K S                   | Associate Vice President                   | 30.35                   | B E MECHANICAL ENGG., M B A GENERAL MARKETING (32)                        | 25-08-2014                         | 53   | HIL LTD., BALASORE & SATHARIYA                 |
| 9     | PUTTA SEKHAM                    | Associate Vice President-Marketing         | 30.31                   | B Com, M B A (28)   | 15-12-2015                         | 52   | Naturo Food & Fruits Products P Ltd            |
| 10    | RAVICHANDRAN T A                | Senior General Manager-Taxation & Accounts | 27.41                   | B COM, CHARTERED ACCOUNTANT (25)  | 09-09-2015                         | 47   | SANKAR SEALING SYSTEMS PVT. LTD.               |

- (ii) Employed for a part of the financial year 2017-18 and was in receipt of remuneration, at a rate which, in the aggregate, not less than ₹ 8.5 lakhs per month - NIL

### NOTES :

- All appointments are contractual.
- None of the employees mentioned above is related to any director of the Company except Shri P.V.Abinav Ramasubramaniam Raja Managing Director who is related to Shri P.R. Venketrama Raja, Chairman.
- No employee was in receipt of remuneration in excess of that drawn by Managing Director.
- MD's remuneration includes contribution to PF and after deduction of salary paid by M/s. Ramco Systems Limited, as approved by Shareholders on 04.08.2017.
- Remuneration to others include salary, variable performance pay, allowances, contribution to Provident Fund and Superannuation Fund, taxable value of perks and leave encashment but excludes gratuity.

On behalf of the Board of Directors  
For RAMCO INDUSTRIES LIMITED

Place : Chennai  
Date : 24.05.2018

P.R.VENKETRAMA RAJA  
CHAIRMAN

## INDEPENDENT AUDITORS' REPORT

### To the Members of Ramco Industries Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying Separate financial statements drawn in accordance with the Indian Accounting Standards (“the Financial Statements”), of Ramco Industries Limited (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow for the year ended on 31<sup>st</sup> March 2018 and a summary of significant accounting policies and other explanatory information.

#### Management’s Responsibility for the Separate Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of the Financial Statements that give a true and fair view of the financial position, Financial Performance (including Other Comprehensive Income), Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Separate Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Separate Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Separate Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Separate Financial Statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Separate Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the Separate Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the Separate Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Separate Financial Statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Separate ‘Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March 2018, its Profit (financial performance including Other Comprehensive Income), Changes in Equity and its Cash Flows for the year ended on 31<sup>st</sup> March 2018.

#### Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 are based on the previously issued statutory financial statements jointly audited by M.S.Jagannathan & N.Krishnaswami, Chartered Accountants and CNGSN & Associates LLP, Chartered Accountants, the predecessor auditors, whose report for the year ended March 31, 2017 dated 30<sup>th</sup> May, 2017 expressed an unmodified opinion on those financial statements.

#### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the “Annexure A”, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2) As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid Separate Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) We have enclosed our separate report in "Annexure B" with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The details of the pending litigations and its impact on the Financial Statements have been disclosed in Note No 37.2.1 to 37.2.11 of the 'Disclosures forming part of Separate Financial Statements' for the year ended 31<sup>st</sup> March 2018;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 015041S  
G. CHELLA KRISHNA  
Partner  
Membership No. 210474  
Place: Chennai  
Date : 24<sup>th</sup> May, 2018

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 005333S  
M. VIJAYAN  
Partner  
Membership No. 026972

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## **"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the Financial Statements of the Company for the year ended 31<sup>st</sup> March 2018:

### **1) Fixed Assets**

- 1.1 The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- 1.2 The fixed assets were physically verified during the year by the Management in accordance with the regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed during such verification.
- 1.3 According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

### **2) Inventory**

- 2.1 The Management has conducted the physical verification of inventory at reasonable intervals.
- 2.2 The discrepancies noticed on verification between the physical stocks and the book records were properly dealt with in the books of account and were not material.

- 3) The Company has granted loan to a party listed in the Register maintained under Section 189 of the Act. The maximum outstanding at any time during the year was ₹ 511.04 Lakhs (PY: ₹ 511.04 Lakhs) and the amount outstanding as on 31<sup>st</sup> March 2018 is ₹ 461.93 Lakhs (PY: ₹ 511.04 Lakhs).
- 3.1 In our opinion, the terms and conditions on which the loan has been granted to the party listed in the Register maintained under Section 189 of the Act are not prejudicial to the interest of the Company.
- 3.2 The payment of the principal and the interest wherever applicable are regular.
- 3.3 There are no overdue amounts in respect of the loan granted to a party listed in the Register maintained under Section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) The company is maintaining the accounts and records which have been specified by the Central Government under Section 148(1) of the Act.

**7) Undisputed and disputed taxes and duties**

- 7.1 The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Services Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31<sup>st</sup> March 2018 for a period of more than six months from the date they became payable.
- 7.2 The disputed statutory dues aggregating to ₹ 3,143.42 Lakhs (PY: ₹ 2,945.81 Lakhs) that have not been deposited on account of matters pending before appropriate authorities are as under.

(₹ In lakhs)

| Sl. No                                     | Name of the Statute                        | Forum where dispute is pending             | As at 31-03-2018 | As at 31-03-2017 |
|--|--|--|------------------|------------------|
| 1  | Income Tax Act                             | Deputy Commissioner                        | 313.72           | 75.23            |
|  |  | Commissioner Appeal                        | 672.59           | 761.76           |
|  |  | High Court                                 | 796.05           | 432.85           |
|  |  | Appellate Tribunal                         | 615.19           | 858.89           |
| 2  | Sales Tax                                  |  |                  |                  |
|  | CST  | Assistant Commissioner                     | -                | 258.80           |
|  |  | Assistant/Deputy/Joint Commissioner Appeal | 11.32            | 10.42            |
|  |  | Tribunal Court                             | -                | 3.77             |
|  | Entry Tax                                  | Assistant/Deputy/Joint Commissioner Appeal | 10.67            | 10.09            |
|  | Sales Tax Act                              | Appellate Authority                        | 72.45            | 72.45            |
|  | VAT Act                                    | Appellate Authority                        | -                | -                |
| Assistant/Deputy/Joint Commissioner Appeal |  | 94.57                                      | 54.69            |                  |
| Tribunal Court                             |  | -  | 2.28             |                  |
| 3  | Central Excise Act and Cenvat Credit Rules | Appellate Authority                        | 75.35            | 14.31            |
|  |  | Commissioner Appeal                        | 132.56           | 41.33            |
| 4  | Electricity Act                            | High Court                                 | 348.95           | 348.95           |
| Total                                      |  |  | 3,143.42         | 2,945.81         |

- 8) The Company has not defaulted in repayment of dues to Financial Institutions, Banks, Debenture holders or Government.
- 9) The Company did not raise any money by way of initial public offer or further public offer. The Company has raised term loans from Banks/Institutions during the year and the proceeds have been applied for the purposes for which they were raised. The Company has not issued any debentures during the year.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- 11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 015041S  
G. CHELLA KRISHNA  
Partner  
Membership No. 210474  
Place: Chennai  
Date : 24<sup>th</sup> May, 2018

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 005333S  
M.VIJAYAN  
Partner  
Membership No. 026972

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## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE SEPARATE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARDS OF RAMCO INDUSTRIES LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Ramco Industries Limited (“the Company”) as of 31<sup>st</sup> March 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on 31<sup>st</sup> March 2018.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies

Act, 2013, to the extent applicable to an audit of internal financial controls and, both applicable to an audit of Internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No. 210474  
Place: Chennai  
Date : 24<sup>th</sup> May, 2018

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 0053335  
M.VIJAYAN  
Partner  
Membership No. 026972



BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2018

|   | Note No. | As at.<br>31.03.2018<br>₹ In Lakhs | As at<br>31.03.2017<br>₹ In Lakhs |
|---|----------|------------------------------------|-----------------------------------|
| <b>ASSETS</b>   |          |                                    |                                   |
| <b>1 NON-CURRENT ASSETS</b>                               |          |                                    |                                   |
| Property, Plant and Equipments                            | 6        | 38,792.79                          | 39,050.98                         |
| Capital Work-in- Progress                                 | 6        | 459.67                             | 249.53                            |
| Intangible Assets   | 6        | 602.16                             | 546.16                            |
| Investment Property                                       | 7        | 69.77                              | 43.94                             |
| Investment in Subsidiaries and Associates                 | 8-A      | 21,271.42                          | 21,274.07                         |
| Financial Assets  |          |                                    |                                   |
| Other investment  | 8-B      | 3,416.44                           | 2,807.83                          |
| Loans   | 9        | 461.93                             | 511.04                            |
| Other Financial Assets                                    | 9        | 554.68                             | 646.03                            |
| Other Non - Current Assets                                | 10       | 239.54                             | 185.84                            |
|   |          | <u>65,868.40</u>                   | <u>65,315.42</u>                  |
| <b>2 CURRENT ASSETS</b>                                   |          |                                    |                                   |
| Inventories   | 11       | 23,297.99                          | 30,478.37                         |
| Financial Assets  |          |                                    |                                   |
| Trade Receivables   | 12       | 8,704.44                           | 7,317.63                          |
| Cash and Cash Equivalents                                 | 13       | 632.20                             | 553.80                            |
| Other Financial Assets                                    | 14       | 224.71                             | 522.73                            |
| Current Tax Assets  |          | 7,039.63                           | 4,266.25                          |
| Other Current Assets                                      | 15       | 1,578.51                           | 2,744.42                          |
|   |          | <u>41,477.48</u>                   | <u>45,883.20</u>                  |
| <b>TOTAL ASSETS</b>                                       |          | <u><b>1,07,345.88</b></u>          | <u><b>1,11,198.62</b></u>         |
| <b>II EQUITY AND LIABILITIES</b>                          |          |                                    |                                   |
| <b>SHARE HOLDERS' FUND</b>                                |          |                                    |                                   |
| Equity Share Capital                                      | 16       | 866.63                             | 866.63                            |
| Other Equity  | 16-A     | 65,550.69                          | 58,106.44                         |
| Total Equity  |          | <u>66,417.32</u>                   | <u>58,973.07</u>                  |
| <b>NON-CURRENT LIABILITIES</b>                            |          |                                    |                                   |
| Financial Liabilities                                     |          |                                    |                                   |
| Borrowings  | 17       | 5,570.44                           | 6,452.49                          |
| Deferred Tax Liability (Net)                              | 18       | 3,017.94                           | 1,104.22                          |
| Deferred Government Grants                                | 19       | 150.83                             | 162.53                            |
|   |          | <u>8,739.21</u>                    | <u>7,719.24</u>                   |
| <b>CURRENT LIABILITIES</b>                                |          |                                    |                                   |
| Financial Liabilities                                     |          |                                    |                                   |
| Borrowings  | 20       | 13,003.27                          | 23,410.82                         |
| Trade Payables  | 21       | 3,513.33                           | 5,112.21                          |
| Other financial Liabilities                               | 22       | 8,547.51                           | 10,616.45                         |
| Deferred Government Grants                                |          | 11.70                              | 11.70                             |
| Other Current liabilities                                 | 23       | 2,205.58                           | 2,329.57                          |
| Provisions  | 24       | 4,907.96                           | 3,025.56                          |
|   |          | <u>32,189.35</u>                   | <u>44,506.31</u>                  |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>                     |          | <u><b>1,07,345.88</b></u>          | <u><b>1,11,198.62</b></u>         |
| Significant Accounting Policies, Judgements and Estimates | 1-5      |                                    |                                   |
| See accompanying notes to the financial statements        | 6-47     |                                    |                                   |

As per our Report Annexed

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No. 210474  
Place: Chennai  
Date : 24<sup>th</sup> May, 2018

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 0053335  
M. VIJAYAN  
Partner  
Membership No. 026972

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Sr.G.M.(Legal)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

| <b>INCOME</b>   | Note No. | <b>2017-18</b><br>₹ in lakhs | 2016-17<br>₹ in lakhs |
|---|----------|------------------------------|-----------------------|
| Revenue from operations   | 25       | 82,542.26                    | 78,530.20             |
| Other Income  | 26       | 3,656.62                     | 4,149.37              |
| Other Finance Income  | 27       | 496.17                       | 187.30                |
| <b>Total Revenue</b>  |          | <b>86,695.05</b>             | <b>82,866.87</b>      |
| <b>EXPENSES</b>   |          |                              |                       |
| Cost of materials consumed  | 28       | 41,568.05                    | 37,893.56             |
| Cost of Resale materials  |          | 76.38                        | 131.08                |
| Change in inventories of Finished Goods and Work in Progress            | 29       | 593.44                       | 1,072.69              |
| Excise duty on sale of goods  |          | 2,677.88                     | 7,324.44              |
| Employee benefit expenses   | 30       | 7,075.80                     | 6,717.94              |
| Finance costs   | 31       | 2,163.19                     | 3,353.60              |
| Depreciation and amortisation expenses                                  | 6        | 2,309.79                     | 2,148.11              |
| Other expenses  | 32       | 21,592.36                    | 18,081.03             |
| <b>Total Expenses</b>   |          | <b>78,056.89</b>             | <b>76,722.45</b>      |
| Profit/(Loss) before exceptional items and tax                          |          | 8,638.16                     | 6,144.42              |
| Exceptional Items   | 33       | 1,264.97                     | 1,168.48              |
| <b>Profit / (Loss) before Tax</b>                                       |          | <b>9,903.13</b>              | <b>7,312.90</b>       |
| Income Tax expenses   | 35       |                              |                       |
| Current Tax   |          | 2,337.76                     | 1,342.21              |
| Deferred Tax  |          | 1,913.72                     | 863.91                |
| MAT Credit  |          | (1,553.50)                   | (880.52)              |
| <b>Total Tax Expenses</b>   |          | <b>2,697.98</b>              | <b>1,325.60</b>       |
| <b>Profit / (Loss) for the year</b>                                     |          | <b>7,205.15</b>              | <b>5,987.30</b>       |
| Other Comprehensive income  |          |                              |                       |
| Item will not be reclassified to profit / (loss) in subsequent periods: |          |                              |                       |
| Actuarial Gain/(loss) on defined benefit obligation (net)               |          | 67.99                        | (131.20)              |
| Fair value gain/(loss) on Equity instruments through OCI                |          | 604.41                       | 733.38                |
| <b>Total Comprehensive income for the year, net of Tax</b>              |          | <b>7,877.55</b>              | <b>6,589.48</b>       |
| Earnings per equity share of face value of ₹1 each                      |          |                              |                       |
| Basic & Diluted in Rupees   |          | 8.31                         | 6.91                  |
| Significant Accounting Policies, Judgements and estimates               | 1-5      |                              |                       |
| See accompanying notes to the financial statements                      | 6-47     |                              |                       |

As per our Report Annexed

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No. 210474  
Place : Chennai  
Date : 24<sup>th</sup> May, 2018

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 005333S  
M. VIJAYAN  
Partner  
Membership No. 026972

For and on behalf of the Board  
P.R. VENKETRAMA RAJA  
Chairman

P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Sr.G.M.(Legal)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

|   | 2017-18<br>₹ in lakhs | 2016-17<br>₹ in lakhs |
|---|-----------------------|-----------------------|
| <b>A Cash flow from operating activities</b>                          |                       |                       |
| Profit Before Tax   | 9,903.13              | 7,312.90              |
| Adjusted for  |                       |                       |
| Loss on sale of assets  | 1.28                  | 5.92                  |
| Depreciation  | 2,309.79              | 2,148.11              |
| Dividend Income   | (3,061.95)            | (3,798.64)            |
| Profit on sale of assets  | (1,423.21)            | (89.16)               |
| Profit on sale of shares  | -                     | (1,089.66)            |
| Fair value loss/(gain) on investments                                 | (4.20)                | (3.76)                |
| Interest income   | (496.17)              | (187.30)              |
| Cash flow arising out of Actuarial loss on defined benefit obligation | 67.99                 | (131.20)              |
| Interest paid   | 2,200.83              | 3,482.59              |
| Royalty receipts  | (1,482.64)            | (1,874.20)            |
|   | <u>(1,888.28)</u>     | <u>(1,537.30)</u>     |
| Operating profit before working capital changes                       | 8,014.85              | 5,775.60              |
| Adjusted for  |                       |                       |
| Trade and other receivables   | (1,386.81)            | (434.75)              |
| Inventories   | 7,180.38              | (6,271.82)            |
| Trade payables  | (1,598.88)            | 1,271.94              |
| Other Current Assets  | (3,019.45)            | (3,408.83)            |
| Other current Liabilities   | (310.53)              | 2,610.06              |
|   | <u>864.71</u>         | <u>(6,233.40)</u>     |
| <b>Cash (used in) / generated from operations</b>                     | <b>8,879.56</b>       | <b>(457.80)</b>       |
| Taxes paid  | 925.74                | 406.99                |
| <b>Net cash (used in) / generated from operating activities</b>       | <b>9,805.30</b>       | <b>(50.81)</b>        |
| <b>B Cash flow from Investing activities</b>                          |                       |                       |
| Purchase of Plant, property and Equipment                             | (2,667.63)            | (4,182.46)            |
| Proceeds from Sale of Plant, property and Equipment                   | 1,906.75              | 117.94                |
| Adjustments in Assets   | 75.21                 | (32.31)               |
| Proceeds from Sale of shares  | 3.40                  | 1,265.47              |
| Interest income   | 496.17                | 187.30                |
| Dividend income   | 3,061.95              | 3,798.64              |
| Changes in Capital WIP  | (210.14)              | 1,161.59              |
| Advance for long term purpose   | 60.93                 | 91.51                 |
| Purchase of investment  | (0.75)                | -                     |
| Royalty receipts  | 1,482.64              | 1,874.20              |
| <b>Net cash (used in) / from investing activities</b>                 | <u>4,208.53</u>       | <u>4,281.88</u>       |

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017 Contd...**

|   | 2017-18<br>₹ in lakhs | 2016-17<br>₹ in lakhs |
|---|-----------------------|-----------------------|
| <b>C Cash flow from financing activities</b>  |                       |                       |
| Proceeds from long term borrowing   | (882.05)              | (7,113.42)            |
| Proceeds from other Long term liabilities   | (11.70)               | (11.70)               |
| Proceeds from short term borrowings   | (10,407.55)           | 5,959.35              |
| Dividend paid   | (433.30)              | -                     |
| Finance cost  | (2,200.83)            | (3,482.59)            |
| <b>Net cash from / (used in) Financing activities</b>   | <b>(13,935.43)</b>    | <b>(4,648.36)</b>     |
| Net increase / (decrease) in cash and cash equivalents (A+B+C)  | 78.40                 | (417.29)              |
| Cash and cash equivalents as at the beginning of the year   | 553.80                | 971.09                |
| <b>Cash and Cash equivalents as at end of the year</b>  | <b>632.20</b>         | <b>553.80</b>         |
| <b>Reconciliation of changes in liabilities arising from Financing Activities pertaining to Borrowings:</b> |                       |                       |
| Balance at the beginning of the year  |                       |                       |
| Long Term Borrowings  | 6,452.49              | 13,565.91             |
| Short Term Borrowings (excluding cash credit)   | 23,410.82             | 17,451.47             |
| Current maturities of Long Term Debt  | 3,750.00              | 4,910.12              |
| Interest accrued  | 156.75                | 157.35                |
| Sub-total Balance at the beginning of the year  | <u>33,770.06</u>      | <u>36,084.85</u>      |
| Cash flows during the year  |                       |                       |
| Proceeds from Long Term Borrowings  | 5,000.00              | 1,679.37              |
| Repayment of Long Term Borrowings   | (6,952.06)            | (9,952.91)            |
| Proceeds from / (Repayment of) Short Term Borrowings (net)  | (10,407.55)           | 5,959.35              |
| Interest paid   | (2,252.28)            | (3,483.19)            |
| Sub-total Cash flows during the year  | <u>(14,611.89)</u>    | <u>(5,797.38)</u>     |
| Non-cash changes  |                       |                       |
| Interest accrual for the year   | 2,200.83              | 3,482.59              |
| Balance as the end of the year  |                       |                       |
| Long Term Borrowings  | 5,570.44              | 6,452.49              |
| Short Term Borrowings   | 13,003.27             | 23,410.82             |
| Current maturities of Long Term Debt  | 2,679.99              | 3,750.00              |
| Interest accrued but not due  | 105.30                | 156.75                |
| Balance as the end of the year  | <u>21,359.00</u>      | <u>33,770.06</u>      |

As per our Report Annexed

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No. 210474  
Place : Chennai  
Date : 24<sup>th</sup> May, 2018

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 0053335  
M.VIJAYAN  
Partner  
Membership No. 026972

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Sr.G.M. (Legal)

## NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### 1. Corporate Information

Ramco Industries Limited is a Public Limited Company domiciled and headquartered in India and incorporated under the provisions of Companies Act. The Registered office of the Company is located at P.S.K Nagar, Rajapalayam - 626 108, Tamilnadu and corporate office of the company is located at "Auras corporate centre", VI Floor, 98A- Dr. Radha Krishnan Road, Mylapore, Chennai - 600 004, Tamil Nadu. The Company's shares are listed in BSE Limited and NSE Limited.

The Company is engaged in manufacture of Fiber Cement (FC) sheets and Calcium Silicate Boards (CSBs). The Company's segments are building products, Textiles and power generation from wind mills. The Company caters mainly to the domestic markets. The Company is also engaged in sale of surplus electricity generated from its windmills after meeting its captive requirements.

The financial statements of the Company for the year were approved and adopted by Board of Directors of the Company in their meeting dated 24-05-2018.

### 2. Basis of Preparation of Separate Financial Statements

- 2.1 The financial statements for the period up to 31-03-2016 were prepared in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Pursuant to the mandatory requirement for adoption of Ind AS as notified by MCA, the Company has prepared its financial statements for the year ended 31-03-2017 and thereafter in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time.
- 2.2 The significant accounting policies used in preparing the financial statements are set out in Note No.4
- 2.3 The Company has considered its operating cycle to be 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- 2.4 An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.
- 2.5 A liability is classified as current when it is expected to be settled in normal operating cycle or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.
- 2.6 The financial statements are presented in Indian Rupees rounded off to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as ₹0.00 Lakhs.

### 3. Basis of Measurement

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 4.18 - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.

### 4. Significant Accounting Policies

#### 4.1 Inventories

- 4.1.1 Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- 4.1.2 Process stock is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads, or net realisable value whichever is lower. Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process stock.
- 4.1.3 Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

## NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### 4.2 Cash Flow Statement

- 4.2.1 Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- 4.2.2 Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash.
- 4.2.3 Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

### 4.3 Dividend distribution to Equity shareholders

Final dividend distribution to shareholders is recognised in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend together with applicable taxes is recognised directly in Equity.

### 4.4 Income Taxes

- 4.4.1 Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income tax Act, 1961 and other applicable tax laws.
- 4.4.2 Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.
- 4.4.3 Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.
- 4.4.4 Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.
- 4.4.5 Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- 4.4.6 Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.
- 4.4.7 Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

### 4.5 Property, plant and equipments (PPE)

- 4.5.1. PPEs are stated at cost of acquisition or construction (net of CENVAT / VAT / GST wherever applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

The company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. When each major inspection/overhauling is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria in accordance with Ind AS 16 are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the respective heads of accounts in the year in which it is incurred.

## NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

4.5.2 The Company follows the useful lives of the significant parts of certain class of PPE on best estimate basis upon technical advice, as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

| Asset type          | Useful life ranging from |
|---------------------|--------------------------|
| Buildings           | 3 to 60 years            |
| Plant and Machinery | 5 to 25 years            |
| Windmills           | 5 to 30 years            |

4.5.3 PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.

4.5.4 PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the Statement of Profit and Loss. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.

4.5.5 Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

4.5.6 Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.

4.5.7 The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

### Capital Work in progress

4.5.8 Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date

## 4.6 Leases

4.6.1 The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

4.6.2 The lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the Lessor are recognised as operating lease. Operating lease receipts and payments are recognised in the Statement of Profit and Loss on accrual basis as per the lease terms. The company do not have any finance leases.

4.6.3 The amount paid for securing right to use of lands qualify as Operating lease and the amount paid for leasehold land is classified as “lease prepayments” under prepaid expenses, which are amortised over the tenure of lease.

## 4.7 Revenue Recognition

4.7.1 Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

4.7.2 Revenue from Operations

### *Sale of products*

Revenue is recognised at the fair value of consideration received or receivable upon transfer of significant risks and rewards of ownership of goods which coincides with the delivery of goods. It comprises of invoice value of goods including excise duty up to 30.06.2017 and after deducting discounts, volume rebates and applicable taxes on sale including GST.

### *Power generated from Windmills*

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO/BESCOM/ PGVCL are consumed at factories and unutilized units are sold to concerned distribution companies. The monetary values of such power generated that are captively consumed are not recognised as revenue for the company.

## NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Power generated from windmills that are covered under power purchase agreement with TANGEDCO /BESCOM/ PGVCL are sold to State Electricity Boards at the rate fixed by respective State Electricity Regulatory Commissions and the income is recognised as Sale of surplus power generated from windmills

### **Scrap sale**

Scrap sale is recognised at the fair value of consideration received or receivable upon transfer of significant risk and rewards. It comprises of invoice value of goods including excise duty up to 30.06.2017 excluding applicable taxes on sale.

### **Industrial Promotion Assistance**

This being in the nature of Government grants, which are recognised at fair value when the Company's right to receive the same is established with reasonable assurance.

#### 4.7.3 Other Income

- a. Dividend income is recognised when the Company's right to receive dividend is established.
- b. Rental income from operating lease on investment properties is recognised on a straight line basis over the term of the relevant lease
- c. Value of Carbon credits are recognised when the Company's right to receive the same is established.

#### 4.8 Employee Benefits

- 4.8.1 Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- 4.8.2 Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.
- 4.8.3 The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary. The Company has no further obligations.
- 4.8.4 The Company also contributes for superannuation a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto ₹1.50 Lacs per annum is remitted to Ramco Industries Limited Officer's Superannuation Fund administered by trustees and managed by LIC of India. There are no further obligations in respect of the above contribution plan.
- 4.8.5 The Company has its own Defined Benefit Plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Ramco Industries Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, including for its employees in subsidiary Company, based on the Actuarial Valuation by an independent external actuary as at the Balance Sheet date using Projected Unit Credit method.
- 4.8.6 The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method.
- 4.8.7 Remeasurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

#### 4.9 Government Grants

- 4.9.1 In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets".
- 4.9.2 Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

#### 4.10 Foreign currency transactions

- 4.10.1 The financial statements are presented in Indian Rupees, which is also the Company's functional currency.



## NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

- 4.10.2 All transactions in foreign currency are recorded on initial recognition at their functional currency exchange rates prevailing on that date.
- 4.10.3 Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.
- 4.10.4 Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction.
- 4.11 Borrowing Costs**
- 4.11.1 Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- 4.11.2 Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the general borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing cost eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings. The amount of borrowing cost that the Company capitalises does not exceed the amount of borrowing cost incurred during that period. All other borrowings cost are expensed in the period in which they occur.
- 4.12 Earnings per Share**
- 4.12.1 Net profit after tax is divided by the weighted average number of equity shares including un-allotted bonus shares outstanding if any, during the year.
- 4.12.2 Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per share.
- 4.12.3 The Company do not have any potential equity shares.
- 4.13 Impairment of Non-financial Assets**
- 4.13.1 The carrying values of assets include property, plant and equipment, investment properties, cash generating units and intangible assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.
- 4.13.2 Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- 4.13.3 An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- 4.13.4 An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.
- 4.14 Provisions, Contingent Liabilities and Contingent Assets**
- 4.14.1 Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.
- 4.14.2 Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- 4.14.3 Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are not recognised.

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

4.14.4 Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.

**4.15 Intangible Assets**

4.15.1 The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.

4.15.2 Intangible Assets are amortised over their estimated useful life on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team. Its accounting classification is given below:

| Nature of Intangible assets       | Estimated useful life       |
|-----------------------------------|-----------------------------|
| Computer software                 | 5 years                     |
| Amortisation of Intangible assets | Accounting classification   |
| Computer software                 | Depreciation & Amortisation |

4.15.3 The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, and are recognised as Intangible assets under development.

4.15.4 The residual values, useful lives and methods of depreciation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.

**4.16 Investment Properties**

4.16.1 An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.

4.16.2 Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land which is carried at cost.

4.16.3 The company identifies the significant parts of investment properties separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. Other expenses including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

4.16.4 Depreciation on investment properties are calculated on straight-line method based on useful life of the significant components.

| Asset type                            | Useful life ranging from |
|---------------------------------------|--------------------------|
| Buildings under Investment properties | 60 years                 |

4.16.5 Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the Statement of Profit and Loss. Amount received towards investment properties that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.

4.16.6 The residual values, useful lives and methods of depreciation of investment properties are reviewed at each reporting date and adjusted prospectively, if appropriate.

**4.17 Operating Segments**

Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

The Company has three operating/reportable segments viz. building products, textile and wind power generation.

The inter-segment transfers of units of power from windmills are recognized at the applicable tariff rates of the electricity boards for the purpose of segment reporting as per the relevant accounting standard.

## NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general other income and expenses which are not allocated to any business segment.

### 4.18 Financial Instruments

- 4.18.1 A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
- 4.18.2 Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.
- 4.18.3 The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

#### *Financial Assets*

- 4.18.4 Financial assets comprises of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.
- 4.18.5 Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
- Amortised cost; or
  - Fair value through other comprehensive income (FVTOCI); or
  - Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

- 4.18.6 The Company has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

| Classification | Business Model  |
|----------------|---|
| Amortised cost | The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes. |
| FVTOCI         | The objective of the Company is to collect its contractual cash flows and selling financial assets.   |

Investment in equity of subsidiary and associates are carried at cost (i.e) previous GAAP carrying amount as the date of transition to Ind AS. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

| Classification | Name of Financial Assets  |
|----------------|---|
| Amortised cost | Trade receivables, Loans and advances to subsidiary company, employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind. |
| FVTOCI         | Equity investments in companies other than Subsidiary & Associate as an option exercised at the time of initial recognition.  |
| FVTPL          | Investments in mutual funds, forward exchange contracts.  |

- 4.18.7 Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

- a. significant risk and rewards of the financial asset, or
- b. control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset. The Company has applied the de-recognition requirements prospectively.

- 4.18.8 Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.
- 4.18.9 For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

| Name of Financial asset | Impairment testing methodology   |
|-------------------------|--|
| Trade receivables       | Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.  |
| Other Financial assets  | When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. |

***Financial Liabilities***

- 4.18.10 Financial liabilities comprises of Borrowings from Banks, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.
- 4.18.11 The Company measures its financial liabilities as below:

| Measurement basis | Name of Financial liabilities  |
|-------------------|--|
| Amortised cost    | Borrowings, Debentures, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading,         |
| FVTPL             | Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading. |

- 4.18.12 Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Transaction cost of financial guarantee contracts that are directly attributable to the issuance of the guarantee are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.
- 4.18.13 Financial liabilities are derecognised when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.
- 4.18.14 Upon derecognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Statement of Profit and Loss.

## NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### 4.19 Fair value measurement

- 4.19.1 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- 4.19.2 The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.
- 4.19.3 All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:
- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.
- 4.19.4 For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.
- 4.19.5 For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.
- 4.19.6 The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

#### ***Investments in Equity / Mutual Funds***

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

#### ***Trade and other receivables***

The fair value is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets.

#### ***Forward exchange contracts***

The fair value of forward exchange contracts is based on the quoted price if available; otherwise it is estimated by discounting the difference between contractual forward price and current forward price for the residual maturity of the contract using government bond rates.

#### ***Non-derivative financial liabilities***

The fair value of non-derivative financial liabilities viz, soft loan from government, deferred sales tax liability, borrowings are determined for disclosure purposes calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

#### ***Financial guarantee obligation***

The fair value of financial guarantee obligation with reference to loan availed by subsidiary/associates is determined on the basis of estimated cost involved in securing equivalent size of the guarantees from bank.

#### ***Investment Properties***

The fair value is determined for disclosure purposes based on an annual evaluation performed by an internal technical team measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.

### 5. Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

## NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### ***Property, Plant and Equipment, Intangible Assets and Investment Properties***

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

### ***Current Taxes***

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

### ***Deferred Tax Asset (Including MAT Credit Entitlement)***

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### ***Contingent Liabilities***

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

### ***Impairment of Trade receivables***

The impairment for financial assets are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

### ***Impairment of Non-financial assets (PPE/Intangible Assets/Investment Properties)***

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

### ***Defined Benefit Plans and Other long term benefits***

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

### ***Fair value measurement of financial instruments***

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### ***Interests in other entities***

Significant management judgement is exercised in determining the interests in other entities. The management believes that wherever there is significant influence over certain companies belong to its group, such companies are treated as Associate companies even though it holds less than 20% of the voting rights.



**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**6 PROPERTY PLANT & EQUIPMENT**

₹ in lakhs

| Particulars          | YEAR    | GROSS BLOCK              |           |                             |                          | DEPRECIATION AND AMORTISATION |                            |                             |                          | NET BLOCK                |                          |
|----------------------|---------|--------------------------|-----------|-----------------------------|--------------------------|-------------------------------|----------------------------|-----------------------------|--------------------------|--------------------------|--------------------------|
|                      |         | As At<br>01-APR-<br>2017 | Additions | Withdrawals/<br>Adjustments | As At<br>31-MAR-<br>2018 | As At<br>01-APR-<br>2017      | For the<br>year<br>2017-18 | Withdrawals/<br>Adjustments | As At<br>31-MAR-<br>2018 | As At<br>31-MAR-<br>2018 | As At<br>31-MAR-<br>2017 |
| LAND - FREEHOLD      | 2017-18 | 1,679.00                 |           | 6.39                        | 1,672.61                 | -                             |                            |                             | -                        | 1,672.61                 | 1,679.00                 |
|                      | 2016-17 | 1,679.00                 |           |                             | 1,679.00                 |                               |                            |                             |                          | 1,679.00                 | 1,679.00                 |
| LAND - LEASE HOLD    | 2017-18 | 1,399.35                 |           |                             | 1,399.35                 | 77.23                         | 15.59                      |                             | 92.82                    | 1,306.53                 | 1,322.12                 |
|                      | 2016-17 | 1,399.35                 |           |                             | 1,399.35                 | 61.70                         | 15.59                      | 0.06                        | 77.23                    | 1,322.12                 | 1,337.65                 |
| BUILDINGS            | 2017-18 | 16,495.72                | 188.31    | 675.01                      | 16,009.02                | 4,981.42                      | 429.28                     | 354.98                      | 5,055.72                 | 10,953.30                | 11,514.30                |
|                      | 2016-17 | 16,228.31                | 267.41    | -                           | 16,495.72                | 4,541.58                      | 444.96                     | 5.12                        | 4,981.42                 | 11,514.30                | 11,686.73                |
| RAILWAY SIDINGS      | 2017-18 | 20.68                    |           |                             | 20.68                    | 19.65                         |                            |                             | 19.65                    | 1.03                     | 1.03                     |
|                      | 2016-17 | 20.68                    |           |                             | 20.68                    | 19.65                         |                            |                             | 19.65                    | 1.03                     | 1.03                     |
| PLANT & MACHINERY    | 2017-18 | 48,228.93                | 1,930.22  | 1,261.07                    | 48,898.08                | 27,851.16                     | 1,165.84                   | 1,029.79                    | 27,987.21                | 20,910.87                | 20,377.77                |
|                      | 2016-17 | 46,050.66                | 2,437.52  | 259.25                      | 48,228.93                | 27,022.27                     | 1,080.63                   | 251.74                      | 27,851.16                | 20,377.77                | 19,028.39                |
| ELECTRICAL MACHINERY | 2017-18 | 7,362.45                 | 345.19    | 0.65                        | 7,706.99                 | 3,596.28                      | 522.24                     | 0.57                        | 4,117.95                 | 3,589.04                 | 3,766.17                 |
|                      | 2016-17 | 6,359.49                 | 1,002.96  | -                           | 7,362.45                 | 3,105.91                      | 490.37                     | -                           | 3,596.28                 | 3,766.17                 | 3,253.58                 |
| FURNITURE            | 2017-18 | 339.42                   | 1.58      |                             | 341.00                   | 155.98                        | 23.50                      |                             | 179.48                   | 161.52                   | 183.44                   |
|                      | 2016-17 | 336.57                   | 2.85      |                             | 339.42                   | 128.62                        | 27.36                      |                             | 155.98                   | 183.44                   | 207.95                   |
| OFFICE EQUIPMENTS    | 2017-18 | 230.70                   | 11.50     | 0.47                        | 241.73                   | 180.14                        | 13.73                      | 0.43                        | 193.44                   | 48.29                    | 50.56                    |
|                      | 2016-17 | 208.27                   | 22.43     |                             | 230.70                   | 167.41                        | 12.73                      |                             | 180.14                   | 50.56                    | 40.86                    |
| VEHICLES             | 2017-18 | 470.86                   | 29.23     | 37.85                       | 462.24                   | 314.27                        | 34.01                      | 35.64                       | 312.64                   | 149.60                   | 156.59                   |
|                      | 2016-17 | 460.26                   | 10.85     | 0.25                        | 470.86                   | 279.80                        | 34.66                      | 0.19                        | 314.27                   | 156.59                   | 180.46                   |
| TOTAL TANGIBLE ASSET | 2017-18 | 76,227.11                | 2,506.03  | 1,981.44                    | 76,751.70                | 37,176.13                     | 2,204.19                   | 1,421.41                    | 37,958.91                | 38,792.79                | 39,050.98                |
|                      | 2016-17 | 72,742.59                | 3,744.02  | 259.50                      | 76,227.11                | 35,326.94                     | 2,106.30                   | 257.11                      | 37,176.13                | 39,050.98                | 37,415.65                |

**Capital work-in-progress**

|                          |         |          |          |          |        |  |  |  |  |        |          |
|--------------------------|---------|----------|----------|----------|--------|--|--|--|--|--------|----------|
| CAPITAL WORK-IN-PROGRESS | 2017-18 | 249.53   | 2,716.17 | 2,506.03 | 459.67 |  |  |  |  | 459.67 | 249.53   |
|                          | 2016-17 | 1,411.12 | 2,582.43 | 3,744.02 | 249.53 |  |  |  |  | 249.53 | 1,411.12 |

**Intangible Assets**

|                         |         |          |        |   |          |        |        |   |        |        |        |
|-------------------------|---------|----------|--------|---|----------|--------|--------|---|--------|--------|--------|
| COMPUTER SOFTWARE       | 2017-18 | 1,138.61 | 161.60 |   | 1,300.21 | 592.45 | 105.60 |   | 698.05 | 602.16 | 546.16 |
|                         | 2016-17 | 700.17   | 438.44 |   | 1,138.61 | 550.64 | 41.81  |   | 592.45 | 546.16 | 149.53 |
| TOTAL INTANGIBLE ASSETS | 2017-18 | 1,138.61 | 161.60 | - | 1,300.21 | 592.45 | 105.60 | - | 698.05 | 602.16 | 546.16 |
|                         | 2016-17 | 700.17   | 438.44 | - | 1,138.61 | 550.64 | 41.81  | - | 592.45 | 546.16 | 149.53 |

During the year, a property at Chennai, which was self occupied was rented out. Hence it has been reclassified the same under Investment property.

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

|   | As at<br>31.03.2018<br>₹ In Lakhs | As at<br>31.03.2017<br>₹ In Lakhs |
|---|-----------------------------------|-----------------------------------|
| <b>7 INVESTMENT PROPERTY</b>  |                                   |                                   |
| <b>Gross Block</b>  |                                   |                                   |
| As at the beginning of the year   | 268.31                            | 277.37                            |
| Add: Additions during the year  | 66.80                             | -                                 |
| Less: Sold during the year  | (51.78)                           | (9.06)                            |
| As at the end of the year   | 283.33                            | 268.31                            |
| <b>Depreciation and impairment</b>  |                                   |                                   |
| As at the beginning of the year   | 224.37                            | 223.71                            |
| Add: Additions during the year  | 13.41                             | -                                 |
| Less: Sold during the year  | (30.51)                           | (4.52)                            |
| Add: Depreciation during the year   | 6.29                              | 5.18                              |
| As at the end of the year   | 213.56                            | 224.37                            |
| <b>Net Block</b>  |                                   |                                   |
| As at the end of the year   | 69.77                             | 43.94                             |
| <b>Information regarding income and expenditure of Investment property</b>          |                                   |                                   |
| Rental Income from Investment Properties  | 27.20                             | 25.00                             |
| Direct Operating Expenses   | 7.25                              | 4.95                              |
| Profit arising from Investment Properties before Depreciation and indirect expenses | 19.95                             | 20.05                             |
| Less: Depreciation  | 6.29                              | 4.49                              |
| Profit arising from Investment Properties   | 13.66                             | 15.56                             |
| Fair Value of Investment property   | 283.33                            | 268.31                            |

- a. The Company's investment property consist of commercial properties at Kolkatta, Chennai and Pipe plant Building at Maksi.
- b. Out of these, properties at Kolkatta was sold during the year. During the year, a property at Chennai, which was self occupied was rented out and it has been reclassified under Investment property from Plant,Property and Equipment.
- c. The Company has no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- d. The fair valuation of these investment properties are determined by an internal technical team, measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.



**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**
**8 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES**

₹ In Lakhs

|           | Name of the Company  | Face Value per share ₹ | As at 31-03-2018 |             | As at 31-03-2017 |             |
|-----------|--|------------------------|------------------|-------------|------------------|-------------|
|           |  |                        | Number           | Amount      | Number           | Amount      |
| <b>A.</b> | <b>Quoted Investment - Fully paid Equity shares</b>                        |                        |                  |             |                  |             |
|           | The Ramco Cements Limited  | 1                      | 4,93,12,420      | 5,815.85    | 4,93,12,420      | 5,815.85    |
|           | Rajapalayam Mills Limited  | 10                     | 1,27,360         | 61.79       | 1,27,360         | 61.79       |
|           | Ramco Systems Limited  | 10                     | 54,67,376        | 13,216.19   | 54,67,376        | 13,216.19   |
|           | Sub-Total (A)  |                        |                  | 19,093.83   |                  | 19,093.83   |
|           | <b>Unquoted Investment - Fully paid Equity shares</b>                      |                        |                  |             |                  |             |
|           | <b>Associate Companies</b>   |                        |                  |             |                  |             |
|           | Ontime Industrial Services Ltd   | 10                     | 50,000           | 5.00        | 50,000           | 5.00        |
|           | Ramco Windfarms Ltd  | 1                      | -                | -           | 2,65,000         | 2.65        |
|           | Madurai Trans carrier Ltd  | 1                      | 3,09,00,000      | 309.00      | 3,09,00,000      | 309.00      |
|           | Lynks Logistics Limited  | 1                      | 19,00,000        | 19.00       | 19,00,000        | 19.00       |
|           | Sub-Total  |                        |                  | 333.00      |                  | 335.65      |
|           | <b>Subsidiaries</b>  |                        |                  |             |                  |             |
|           | Sudharsanam Investments Limited  | 10                     | 42,50,000        | 425.00      | 42,50,000        | 425.00      |
|           | Sri Ramco Lanka (Private) Ltd, Srilanka                                    | SLR 10                 | 2,30,00,000      | 1,365.32    | 2,30,00,000      | 1,365.32    |
|           | Sri Ramco Roofings Lanka (Private) Ltd, Srilanka                           | SLR 10                 | 12,90,000        | 54.27       | 12,90,000        | 54.27       |
|           | Sub-Total  |                        |                  | 1,844.59    |                  | 1,844.59    |
|           | Sub-Total (B)  |                        |                  | 2,177.59    |                  | 2,180.24    |
|           | Total Investments in Subsidiaries and Associates C= (A+B)                  |                        |                  | 21,271.42   |                  | 21,274.07   |
|           | Aggregate Market Value of Quoted Investments                               |                        |                  | 3,77,711.00 |                  | 2,89,133.77 |
| <b>B.</b> | <b>Other Investment</b>  |                        |                  |             |                  |             |
|           | <b>Quoted Investment - Fully paid Equity shares (designated at FVTOCI)</b> |                        |                  |             |                  |             |
|           | Indian Bank  | 10                     | 1,391            | 4.17        | 1,391            | 3.87        |
|           | HDFC Limited   | 2                      | 1,79,200         | 3,271.48    | 1,79,200         | 2,691.76    |
|           | HDFC Bank Limited  | 2                      | 5,500            | 103.74      | 5,500            | 79.34       |
|           | DHFL Vysya Housing Finance Limited   | 10                     | 30,000           | 3.00        | 30,000           | 3.00        |
|           | Sub-Total (A)  |                        |                  | 3,382.39    |                  | 2,777.97    |
|           | <b>Investments in Mutual Funds (measured at FVTPL)</b>                     |                        |                  |             |                  |             |
|           | HDFC Mutual Fund   | 10                     | 1,00,000         | 33.51       | 1,00,000         | 29.32       |
|           | Sub-Total (B)  |                        |                  | 33.51       |                  | 29.32       |
|           | <b>Investments in Government or Trust Securities</b>                       |                        |                  |             |                  |             |
|           | National Savings Certificate   |                        |                  | 0.52        |                  | 0.52        |
|           | Sub-Total (C)  |                        |                  | 0.52        |                  | 0.52        |
|           | <b>III. Other Non-Current Investments, Non-Trade - Unquoted</b>            |                        |                  |             |                  |             |
|           | Ramco Industries Employees Co-op Stores Limited                            |                        | 2,500            | 0.02        | 2,500            | 0.02        |
|           | Sub-Total (D)  |                        |                  | 0.02        |                  | 0.02        |
|           | <b>Total Other Investments (A+B+C+D+E)</b>                                 |                        |                  | 3,416.44    |                  | 2,807.83    |

During the year, the company purchased 75000 shares of Ramco Windfarm Limited and sold its entire holding of 3,40,000 shares

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

|   | As at<br>31.03.2018<br>₹ In Lakhs | As at<br>31.03.2017<br>₹ In Lakhs |
|---|-----------------------------------|-----------------------------------|
| <b>9 LOANS AND OTHER FINANCIAL ASSETS (Non-Current)</b>   |                                   |                                   |
| Loans give to related parties   | 461.93                            | 511.04                            |
| Security deposit with Electricity Board   | 554.68                            | 646.03                            |
|   | 1,016.61                          | 1,157.07                          |
| Loan to related party is loan given to our wholly owned subsidiary company, M/s. Sudharsanam Investments Ltd.                     |                                   |                                   |
| <b>10 OTHER NON CURRENT ASSETS</b>  |                                   |                                   |
| Secured and considered good   |                                   |                                   |
| Advances towards Capital goods  | 209.87                            | 106.42                            |
| Advances to Others  | 21.03                             | 70.33                             |
| Prepaid Expenses  | 8.64                              | 9.09                              |
|   | 239.54                            | 185.84                            |
| <b>11 INVENTORIES</b>   |                                   |                                   |
| Raw materials   | 12,032.36                         | 14,981.31                         |
| Raw Materials in Transit  | -                                 | 2,090.46                          |
| Work-in-progress  | 2,611.55                          | 1,934.06                          |
| Finished goods  | 7,810.33                          | 10,518.96                         |
| Stores and spares   | 836.64                            | 946.47                            |
| Asset held for Sale   | 7.11                              | 7.11                              |
|   | 23,297.99                         | 30,478.37                         |
| a. Inventories are valued as per company's accounting policy. [Note No. 4.1 of accounting policies]                               |                                   |                                   |
| b. The total carrying cost of inventories as at the reporting date has been pledged as security for borrowings.                   |                                   |                                   |
| <b>12 TRADE RECEIVABLES</b>   |                                   |                                   |
| Trade receivables, unsecured, considered good   | 8,350.10                          | 6,880.32                          |
| Trade receivables, unsecured, considered doubtful   | 427.43                            | 315.95                            |
| Trade receivables, provision for doubtful   | (427.43)                          | (315.95)                          |
| Trade receivables unsecured considered good- Related Parties  | 354.34                            | 437.31                            |
|   | 8,704.44                          | 7,317.63                          |
| a. Trade receivables are non-interest bearing and are generally on terms of 30 to 45 days.  |                                   |                                   |
| b. No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. |                                   |                                   |
| c. Trade receivable from related parties is royalty receivable from our subsidiaries and are not due more than 6 months.          |                                   |                                   |
| d. The total carrying amount of trade receivables has been pledged as security for Borrowings.                                    |                                   |                                   |
| <b>13 CASH AND CASH EQUIVALENTS</b>   |                                   |                                   |
| Cash on Hand  | 5.61                              | 6.16                              |
| Balance With Bank Current account   | 599.83                            | 521.24                            |
| Margin Money  | 10.77                             | 9.40                              |
| Balance with Bank - Unpaid Dividend Warrant Account   | 15.99                             | 17.00                             |
|   | 632.20                            | 553.80                            |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

|  | As at<br>31.03.2018<br>₹ In Lakhs | As at<br>31.03.2017<br>₹ In Lakhs |
|--|-----------------------------------|-----------------------------------|
| <b>14 OTHER FINANCIAL ASSETS [Current]</b>   |                                   |                                   |
| Security Deposit - Others  | 208.57                            | 203.80                            |
| Asset - Foreign exchange forward contracts   | 16.14                             | 3.69                              |
| Government Grants receivable   | -                                 | 315.24                            |
|  | <u>224.71</u>                     | <u>522.73</u>                     |
| Government Grants receivable include:  |                                   |                                   |
| - Government of West Bengal - NIL (as at 31.03.2017 - ₹ 63.13 lakhs)   |                                   |                                   |
| - Government of Bihar - NIL (as at 31.03.2017 - ₹ 252.11 lakhs)  |                                   |                                   |
| No amount was received as Grant during this year. Incentive scheme under GST regime from 1 <sup>st</sup> July 2017 onwards is yet to be finalised by the respective State Governments. |                                   |                                   |
| <b>15 OTHER CURRENT ASSETS</b>   |                                   |                                   |
| Tax Credit - Indirect Taxes  | 444.57                            | 798.47                            |
| Advance to Suppliers   | 744.30                            | 1,492.93                          |
| Advance to Employees   | 6.06                              | 23.19                             |
| Prepaid Expenses   | 210.23                            | 216.49                            |
| Other Current Assets   | 173.35                            | 213.34                            |
|  | <u>1,578.51</u>                   | <u>2,744.42</u>                   |

**16. EQUITY SHARE CAPITAL  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

**Reconciliation of the number of shares:**

| Particulars   | As at 31-03-2018 |          | As at 31-03-2017 |          |
|---|------------------|----------|------------------|----------|
|   | No. of Shares    | Amount   | No. of Shares    | Amount   |
| Authorised Capital                                      | 20,00,00,000     | 2,000.00 | 20,00,00,000     | 2,000.00 |
| Issued & Subscribed and Fully paid shares of ₹ 1/- each | 8,66,63,060      | 866.63   | 8,66,63,060      | 866.63   |
| Number of Shares at the beginning                       | 866,63,060       | 866.63   | 866,63,060       | 866.63   |
| Issued during the year - Bonus Issue                    | -                | -        | -                | -        |
| Issued during the year - Preferential Issue             | -                | -        | -                | -        |
| Number of Shares at the year end                        | 8,66,63,060      | 866.63   | 8,66,63,060      | 866.63   |

**The details of Shareholders holding more than 5% shares :**

| Name of the Shareholder   | As at 31st MAR 2018 |        | As at 31st March 2017 |        |
|---------------------------|---------------------|--------|-----------------------|--------|
|                           | No. of Shares       | % held | No. of Shares         | % held |
| The Ramco Cements Ltd     | 1,33,72,500         | 15.43  | 1,33,72,500           | 15.43  |
| Rajapalayam Mills Limited | 79,20,680           | 9.14   | 79,20,680             | 9.14   |
| Shri.P.R.Venketrama Raja  | 62,20,655           | 7.18   | 55,00,000             | 6.35   |
| Smt.Saradha Deepa         | 62,20,655           | 7.18   | 55,00,000             | 6.35   |
| Smt.Nalina Ramalakshmi    | 63,00,655           | 7.27   | 55,80,000             | 6.44   |
|                           | 4,00,35,145         | 46.20  | 3,78,73,180           | 43.71  |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**16-A. OTHER EQUITY**

For the year ended 31st March 2018

| Particulars                   | Reserves & Surplus |               |                   |                 | Items of OCI  |                       | Total     |
|-------------------------------|--------------------|---------------|-------------------|-----------------|---------------|-----------------------|-----------|
|                               | Capital Reserve    | Share premium | Retained earnings | General Reserve | FVTOCI-Equity | Actuarial (Loss)/gain |           |
| As at 1st April 2017          | 1,260.71           | 209.53        | 10,759.69         | 43,273.46       | 2,768.82      | (165.77)              | 58,106.44 |
| Profit for the period         | -                  | -             | 7,205.15          | -               | -             | -                     | 7,205.15  |
| Other comprehensive income    | -                  | -             | -                 | -               | 604.41        | 67.99                 | 672.40    |
| Total Comprehensive Income    | -                  | -             | 7,205.15          | -               | 604.41        | 67.99                 | 7,877.55  |
| Issue of Share Capital        |                    |               |                   |                 |               |                       | -         |
| Transfer to General Reserve   | -                  | -             | (1,100.00)        | 1,100.00        | -             | -                     | -         |
| Transfer to Retained Earnings | -                  | -             | (97.78)           | -               | -             | 97.78                 | -         |
| Transaction costs             | -                  | -             | -                 | -               | -             | -                     | -         |
| Cash dividends                | -                  | -             | (433.30)          | -               | -             | -                     | (433.30)  |
| As at 31st March 2018         | 1,260.71           | 209.53        | 16,333.76         | 44,373.46       | 3,373.23      | -                     | 65,550.69 |

For the year ended 31<sup>st</sup> March, 2017

| Particulars                   | Reserves & Surplus |               |                   |                 | Items of OCI  |                       | Total     |
|-------------------------------|--------------------|---------------|-------------------|-----------------|---------------|-----------------------|-----------|
|                               | Capital Reserve    | Share premium | Retained earnings | General Reserve | FVTOCI-Equity | Actuarial (Loss)/gain |           |
| As at 1st April 2016          | 1,260.71           | 209.53        | 5,672.39          | 42,373.46       | 2,035.44      | (34.57)               | 51,516.96 |
| Profit for the period         | -                  | -             | 5,987.30          | -               | -             | -                     | 5,987.30  |
| Other comprehensive income    | -                  | -             | -                 | -               | 733.38        | (131.20)              | 602.18    |
| Total Comprehensive Income    | -                  | -             | 5,987.30          | -               | 733.38        | (131.20)              | 6,589.48  |
| Issue of share capital        | -                  | -             | -                 | -               | -             | -                     | -         |
| Transfer to general reserve   | -                  | -             | (900.00)          | 900.00          | -             | -                     | -         |
| Transfer to Retained Earnings | -                  | -             | -                 | -               | -             | -                     | -         |
| Transaction costs             | -                  | -             | -                 | -               | -             | -                     | -         |
| Cash dividends                | -                  | -             | -                 | -               | -             | -                     | -         |
| As at 31st March 2017         | 1,260.71           | 209.53        | 10,759.69         | 43,273.46       | 2,768.82      | (165.77)              | 58,106.44 |

**Capital Reserve**

Represents the difference between the shares allotted to the Share Holders of Transferor Company and Net Worth acquired from Transferor Company as per scheme of Amalgamation.

**Securities Premium Reserve**

Represents excess of share subscription money received over par value of shares.

**General reserve**

The general reserve is used from time to time to transfer profits from retained earnings. There is no policy of regular transfer.

**Retained earnings**

Represents that portion of the net income of the Company that has been retained by the Company.

**FVTOCI Reserve**

Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

|  | As at<br>31.03.2018<br>₹ In Lakhs | As at<br>31.03.2017<br>₹ In Lakhs |
|--|-----------------------------------|-----------------------------------|
| <b>17 BORROWINGS [NON CURRENT]</b>   |                                   |                                   |
| Secured:   |                                   |                                   |
| Term Loan from Banks   | 5,570.44                          | 6,452.49                          |
|  | <u>5,570.44</u>                   | <u>6,452.49</u>                   |
| a. Term Loan from Banks are secured by pari-passu first charge on all movable Fixed Assets of the Company.   |                                   |                                   |
| b. The Long Term Borrowings from Banks are repayable in quarterly installments. The year wise repayment is as follows:   |                                   |                                   |
| 2021-22  | 109.23                            | 109.22                            |
| 2020-21  | 2,457.68                          | 510.87                            |
| 2019-20  | 3,009.54                          | 1,990.23                          |
| 2018-19  | -                                 | 3,859.23                          |
| Processing charges to be absorbed over the period of loan  | (6.01)                            | (17.06)                           |
|  | <u>5,570.44</u>                   | <u>6,452.49</u>                   |
| <b>18 DEFERRED TAX LIABILITY (NET)</b>   |                                   |                                   |
| <u>Deferred Tax Liabilities</u>  |                                   |                                   |
| Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961   | 5,593.84                          | 4,713.86                          |
| Tax effect on Fair Value measurement and Other Items allowable under the Income Tax Act, 1961  | 1.00                              | (30.42)                           |
| <u>Deferred Tax Assets</u>   |                                   |                                   |
| Tax effect-Unabsorbed depreciation under IT Act,1961   | (2,047.00)                        | (3,014.51)                        |
| Tax effect -provision for Bonus and Leave encashment   | (356.90)                          | (408.76)                          |
| Disallowances under the Income Tax Act, 1961.  | (173.00)                          | (155.95)                          |
| Net Deferred Tax Liability   | <u>3,017.94</u>                   | <u>1,104.22</u>                   |
| <b>Reconciliation of deferred tax Liabilities (net)</b>  |                                   |                                   |
| Opening balance as on 1 <sup>st</sup> April  | 1,104.22                          | 240.31                            |
| Tax (income)/Expense during the period recognised in Statement of Profit and Loss  | 1,913.72                          | 863.91                            |
| Closing balance as on 31 <sup>st</sup> March   | <u>3,017.94</u>                   | <u>1,104.22</u>                   |
| <b>19 DEFERRED GOVERNMENT GRANTS</b>   |                                   |                                   |
| Deferred Government Grants   | 150.83                            | 162.53                            |
|  | <u>150.83</u>                     | <u>162.53</u>                     |
| Industrial Promotion Assistance (IPA) provided by Department of Industries of Government of Bihar [₹134.31 lakhs] and Government of West Bengal [₹150.00 lakhs] towards creation of infrastructure facilities is recognised as 'Industrial Promotion assistance' over the useful life of the underlying PPE.                   |                                   |                                   |
| <b>20 BORROWINGS [CURRENT]</b>   |                                   |                                   |
| Secured:   |                                   |                                   |
| Loan from banks  | 4,503.27                          | 5,592.47                          |
| Unsecured:   |                                   |                                   |
| Loan from banks  | 8,500.00                          | 17,818.35                         |
|  | <u>13,003.27</u>                  | <u>23,410.82</u>                  |
| Borrowings from Banks are secured by pari-passu first charge on trade receivables and inventories of the Company, present and future.  |                                   |                                   |
| <b>21 TRADE PAYABLES</b>   |                                   |                                   |
| Trade Payables   | 3,513.33                          | 5,112.21                          |
|  | <u>3,513.33</u>                   | <u>5,112.21</u>                   |
| a. Trade payables are non-interest bearing and are normally settled in 10 to 30 days, except where credit term as per contractual agreement is more than 30 days.  |                                   |                                   |
| b. There are no dues to Micro and Small Enterprises as at 31-03-2018 (PY: ₹ NIL). This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. |                                   |                                   |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

|           |  | As at<br>31.03.2018<br>₹ In Lakhs | As at<br>31.03.2017<br>₹ In Lakhs |
|-----------|--|-----------------------------------|-----------------------------------|
| <b>22</b> | <b>OTHER FINANCIAL LIABILITIES [CURRENT]</b>   |                                   |                                   |
|           | Current Maturities of Long Term Debt - Secured   | 2,679.99                          | 3,750.00                          |
|           | Unpaid dividends   | 15.99                             | 16.80                             |
|           | Financial Guarantee Obligation   | 40.95                             | 40.76                             |
|           | Security Deposit from Customers  | 2,808.97                          | 2,741.83                          |
|           | Liability - Foreign exchange forward contracts   | -                                 | 378.49                            |
|           | Other Liabilities  | 3,001.61                          | 3,688.57                          |
|           |  | <b>8,547.51</b>                   | <b>10,616.45</b>                  |
|           | a. Foreign exchange forward contracts are purchased to mitigate the risk of changes in foreign exchange rates with certain payables / receivables in foreign currencies.   |                                   |                                   |
|           | b. The Company has recognised financial guarantee obligation at fair value towards the corporate guarantees issued to the bankers on behalf of Related parties and the same is recognised as other income over the tenure of the corporate guarantee.  |                                   |                                   |
| <b>23</b> | <b>OTHER CURRENT LIABILITIES</b>   |                                   |                                   |
|           | Statutory Duties and Taxes recovery repayable  | 1,115.03                          | 853.77                            |
|           | Advance received from Customers  | 1,090.55                          | 1,475.80                          |
|           |  | <b>2,205.58</b>                   | <b>2,329.57</b>                   |
| <b>24</b> | <b>PROVISIONS [CURRENT]</b>  |                                   |                                   |
|           | Provision for Leave encashment   | 618.29                            | 583.63                            |
|           | Provision for Gratuity   | 45.71                             | 269.59                            |
|           | Provision for Taxation   | 4,243.96                          | 2,172.34                          |
|           |  | <b>4,907.96</b>                   | <b>3,025.56</b>                   |
|           | a. The Company provides for expenses towards compensated absences provided to its employees. The expense is recognised at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance sheet date, using Projected Unit Credit method.  |                                   |                                   |
|           | b. The company maintains Gratuity fund account in LIC of India. The Company provides for expenses towards Gratuity to its employees. The expense is recognised at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance sheet date, using Projected Unit Credit method.  |                                   |                                   |
| <b>25</b> | <b>REVENUE FROM OPERATIONS</b>   | <b>2017-18</b>                    | <b>2016-17</b>                    |
|           |  | ₹ In Lakhs                        | ₹ In Lakhs                        |
|           | Sale Revenue   | 80,841.92                         | 75,620.04                         |
|           | Other operating revenue  |                                   |                                   |
|           | Industrial promotion assistance  | 11.69                             | 835.74                            |
|           | Royalty Received   | 1,482.64                          | 1,874.20                          |
|           | Income from Wind power generation {Net of inter-divisional transfer of ₹ 1646.53 lakhs ( Previous year ₹1527.92 lakhs)}  | 206.01                            | 200.22                            |
|           |  | <b>82,542.26</b>                  | <b>78,530.20</b>                  |
|           | (a) As per the Guidance Note on Division II, Ind AS Schedule III to the Companies Act, 2013 issued by ICAI, Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they have excluded from revenue. On the other hand, the recovery of excise duty is an inflow that the entity receives on its own account since the Company acts as a principal in collecting the excise duty and therefore the revenue has grossed up to include excise duty. |                                   |                                   |
|           | (b) Goods and Service Tax (GST) has been effective from 01-07-2017. Consequently, Excise Duty, Value Added Tax (VAT), Service Tax etc. have been replaced with GST. Until 30-06-2017, 'Sale of Products' and 'Scrap Sales' include the amount of Excise Duty recovered on Sales. With effect from 01-07-2017, 'Sale of Products' and 'Scrap Sales' excludes the amount of GST recovered. Accordingly, Revenue from 'Sale of Products', 'Scrap Sales' and 'Revenue from Operations' for the year  |                                   |                                   |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

|  | 2017-18<br>₹ In Lakhs | 2016-17<br>₹ In Lakhs |
|--|-----------------------|-----------------------|
| ended 31-03-2018 are not comparable with those of the previous year. However, the revenue from operations net of duties and taxes are furnished as below:  |                       |                       |
| Revenue from Operations (net of GST and VAT)   | 80,841.92             | 75,620.04             |
| Less: Excise Duty  | <u>2,677.88</u>       | <u>7,324.44</u>       |
| Revenue from Operations, net of duties and taxes   | <u>78,164.04</u>      | <u>68,295.60</u>      |
| (c) Industrial Promotion Assistance from:  |                       |                       |
| - Government of Bihar - NIL [Previous year - ₹ 824.04 lakhs]   |                       |                       |
| - Deferred Grant recognised as income - ₹ 11.69 lakhs [Previous year- ₹ 11.70 lakhs]   |                       |                       |
| (d) Out of 299.98 lakhs units [Previous year - 326.07 lakhs units] generated by our windmills, 79.32 lakhs units [Previous year - 54.50 lakhs units] were sold to concerned state Electricity Board, 244.22 lakhs units [Previous year - 237.97 lakhs units] were consumed at our plant and 10.04 lakhs units [Previous year - 33.60 lakhs units] remain unadjusted. |                       |                       |
| <b>26 OTHER INCOME</b>   |                       |                       |
| Dividend Income  | 1,523.36              | 38.68                 |
| Dividend Income from Subsidiaries  | 1,538.59              | 3,759.96              |
| Profit on Sale of Assets   | 158.24                | 10.35                 |
| Other Miscellaneous Income   | <u>436.43</u>         | <u>340.38</u>         |
|  | <u>3,656.62</u>       | <u>4,149.37</u>       |
| <b>27 OTHER FINANCIAL INCOME</b>   |                       |                       |
| Interest Income  | <u>496.17</u>         | <u>187.30</u>         |
| <b>28 COST OF MATERIALS CONSUMED</b>   |                       |                       |
| Material consumed for Building Products  | 33,973.00             | 31,401.49             |
| Material consumed for Textile Products   | <u>7,595.05</u>       | <u>6,492.07</u>       |
|  | <u>41,568.05</u>      | <u>37,893.56</u>      |
| <b>29 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>   |                       |                       |
| Closing Stock of Finished Goods  | 7,810.33              | 10,518.96             |
| Closing Stock of Process Stock   | 2,611.55              | 1,934.06              |
|  | <u>10,421.88</u>      | <u>12,453.02</u>      |
| Opening Stock of Finished Goods  | 10,518.96             | 11,341.46             |
| Opening Stock of Process Stock   | 1,934.06              | 2,155.64              |
|  | <u>12,453.02</u>      | <u>13,497.10</u>      |
| (Increase) / Decrease  | 2,031.14              | 1,044.08              |
| ED on stock variance   | <u>(1,437.70)</u>     | <u>28.61</u>          |
| (Increase) / Decrease  | <u>593.44</u>         | <u>1,072.69</u>       |
| <b>30 EMPLOYEE BENEFIT EXPENSES</b>  |                       |                       |
| Salaries and wages   | <u>6,089.61</u>       | <u>5,789.83</u>       |
| Contribution to and provision for  |                       |                       |
| - Provident Fund   | 397.09                | 392.70                |
| - Gratuity Fund  | 113.70                | 96.06                 |
| - Superannuation Fund  | 29.57                 | 27.98                 |
| Staff welfare  | <u>445.83</u>         | <u>411.37</u>         |
|  | <u>7,075.80</u>       | <u>6,717.94</u>       |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

|           |  | 2017-18<br>₹ In Lakhs | 2016-17<br>₹ In Lakhs |
|-----------|--|-----------------------|-----------------------|
| <b>31</b> | <b>FINANCE COSTS</b>   |                       |                       |
|           | Interest on Bank borrowings  | 1,751.02              | 2,701.94              |
|           | Others   | 258.41                | 467.64                |
|           | Exchange difference regarded as an adjustment to borrowing cost                                  | 153.76                | 184.02                |
|           |  | <u>2,163.19</u>       | <u>3,353.60</u>       |
|           | Others includes Interest on Security deposit from Customers.                                     |                       |                       |
| <b>32</b> | <b>OTHER EXPENSES</b>  |                       |                       |
|           | <b>Manufacturing</b>   |                       |                       |
|           | Stores Consumed  | 1,746.61              | 1,436.31              |
|           | Power & Fuel ( net off power from Wind Mills)  | 4,814.04              | 4,518.09              |
|           | Repairs & Maintenance - Building   | 245.42                | 175.36                |
|           | Repairs & Maintenance - General  | 374.58                | 341.93                |
|           | Repairs & Maintenance - Plant & Machinery  | 2,569.78              | 2,522.18              |
|           | <b>Establishment Expenses</b>  |                       |                       |
|           | Repairs & Maintenance - Vehicle / Aircraft   | 432.40                | 341.85                |
|           | Insurance  | 103.48                | 94.48                 |
|           | Travelling expenses  | 630.42                | 681.53                |
|           | Rates & Taxes  | 843.18                | 637.86                |
|           | Exchange fluctuation in foreign currency loss  | 37.64                 | 128.99                |
|           | Rent   | 190.38                | 184.41                |
|           | Managerial Remuneration  | 279.25                | 313.07                |
|           | Printing & Stationery  | 45.55                 | 34.79                 |
|           | Communication Expenses   | 76.36                 | 89.44                 |
|           | Corporate Social Responsibility  | 82.15                 | 74.91                 |
|           | Legal & Consultancy Expenses   | 333.74                | 268.43                |
|           | Loss on Sale of Assets   | 1.28                  | 5.92                  |
|           | Directors Sitting fees   | 17.19                 | 15.51                 |
|           | Audit Fees & Expenses [ see Note : 34]   | 22.53                 | 21.09                 |
|           | <b>Selling &amp; Distribution Expenses</b>   |                       |                       |
|           | Agency Commission  | 615.92                | 384.02                |
|           | Advertisement Expenses   | 456.19                | 612.38                |
|           | Bad and Doubtful Debts   | 111.48                | 42.10                 |
|           | Transportation and Handling Expenses   | 6,667.24              | 4,633.21              |
|           | Miscellaneous Expenses   | 895.55                | 523.17                |
|           |  | <u>21,592.36</u>      | <u>18,081.03</u>      |
|           | Details of CSR expenditure are furnished in Annexure II of the Director's report.                |                       |                       |
| <b>33</b> | <b>EXCEPTIONAL ITEMS</b>   |                       |                       |
|           | Profit on Sale of Assets   | 1,264.97              | 78.82                 |
|           | Profit on Sale of shares   | -                     | 1,089.66              |
|           |  | <u>1,264.97</u>       | <u>1,168.48</u>       |
|           | During the year, land, buildings and plant & machinery at Kharagpur were sold for ₹ 1,700 lakhs. |                       |                       |



NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

|   | 2017-18<br>₹ In Lakhs | 2016-17<br>₹ In Lakhs |
|---|-----------------------|-----------------------|
| <b>34 AUDIT FEES AND EXPENSES</b>   |                       |                       |
| 1. Statutory Auditors:  |                       |                       |
| a. for statutory audit  | 7.00                  | 7.00                  |
| b. for Taxation matters   | 1.00                  | 1.00                  |
| c. for certification work and other related fee   | 2.50                  | 1.47                  |
| d. for other fee and reimbursement of expenses  | 7.03                  | 6.62                  |
| 2. Cost Auditor:  |                       |                       |
| a. for Cost audit   | 2.50                  | 2.50                  |
| 3. Secretarial Auditor  |                       |                       |
| a. for Secretarial Audit  | 2.50                  | 2.50                  |
|   | <u>22.53</u>          | <u>21.09</u>          |
| <b>35 INCOME TAX EXPENSES</b>   |                       |                       |
| <b>Reconciliation of Tax Expenses and Accounting Profit</b>   |                       |                       |
| Accounting Profit before Income Tax   | 9,903.13              | 7,312.90              |
| At India's statutory Income Tax Rate of 34.608% (2016-17: 34.608%)                                    | 3,427.28              | 2,530.85              |
| <b>Effects of:</b>  |                       |                       |
| Tax effects on differences between book depreciation and depreciations under the Income Tax act ,1961 | (459.51)              | (690.01)              |
| Profit/(loss) on Sale of Property ,Plant and equipment  | (492.10)              | (406.87)              |
| Dividend from Foreign Company   | (532.48)              | (1,301.25)            |
| Utilisation of previously unrecognised tax losses   | (1,557.54)            | (211.86)              |
| Other non-deductible expenses   | (385.65)              | 79.14                 |
| Net effective income tax under Regular method (A)   | <u>-</u>              | <u>-</u>              |
| <b>B. 115BBD Tax working ( Spl rate of Tax)</b>   |                       |                       |
| Dividend from Foreign Company-<br>(2018: 17.304)( 2017: 17.304)                                       | 1,538.59              | 3,759.96              |
| Net effective income tax u/s 115BBD (B)   | 266.24                | 650.63                |
| <b>Income Tax Under MAT</b>   |                       |                       |
| Accounting Profit before Income Tax   | 9,903.13              | 7,312.90              |
| At India's statutory Income Tax Rate of 21.3416% (2017: 21.3416%) including interest                  | 2,179.34              | 1,560.69              |
| Adjustments as per Income Tax   | (293.75)              | (29.54)               |
| Net effective income tax (C)  | <u>1,885.59</u>       | <u>1,531.15</u>       |
| <b>Tax applicable higher of A and B and C</b>   | 1,885.59              | 1,531.15              |
| Previous year tax adjustment  | 452.17                | (188.94)              |
|   | <u>2,337.76</u>       | <u>1,342.21</u>       |
| <b>Deferred Tax Recognised in the Statement of Profit and Loss</b>                                    |                       |                       |
| Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961    | 879.98                | 690.01                |
| Tax effect on Fair Value measurement and other non deductible expenses                                | 66.23                 | (37.94)               |
| Tax effect on unabsorbed depreciation under Income Tax Act, 1961                                      | 967.51                | 211.84                |
|   | <u>1,913.72</u>       | <u>863.91</u>         |
| MAT Credit  |                       |                       |
| Net effective income tax excluding interest   | 1,819.74              | 1,531.15              |
| Income tax expense under Regular Method   | 266.24                | 650.63                |
| MAT Credit  | <u>(1,553.50)</u>     | <u>(880.52)</u>       |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

₹ In Lakhs

| 36. Commitments  | As at<br>31-3-2018 | As at<br>31-3-2017 |
|--|--------------------|--------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Capital Advances) | 559.43             | 422.57             |

| 37. Contingent Liabilities   | As at<br>31-3-2018 | As at<br>31-3-2017 |
|--|--------------------|--------------------|
| 37.1 Guarantees given by the bankers on behalf of company                                      | 407.64             | 402.20             |
| Letters of Credit to the extent , bills not accepted   | 739.05             | 489.60             |
| 37.2 Demands / Claims not acknowledged as Debts in respect of matters in appeals relating to - |                    |                    |
| Income Tax (Ref Note 37.2.1)   | 2,620.48           | 2,658.08           |
| VAT & Input Tax Credit, CST (Ref Note 37.2.2)  | 144.09             | 412.73             |
| Excise Duty, CENVAT Credit (Ref Note 37.2.3)   | 217.00             | 52.55              |
| Other demands (EB) (Ref Note 37.2.4 to 37.2.6)   | 365.82             | 365.82             |

37.2.1 Income Tax Assessment completed upto 2014-15 and total pending demand is ₹2,620.48 lakhs (As at 31-03-2017: ₹2,658.08 lakhs). The total demand has been disputed by the company and the company has preferred appeals before appellate authorities in respect of various disallowances in assessments and the appeals are pending. In the opinion of the Management, there may not be any further tax liability with regard to the said disallowances. Based on the nature of claim disputed pending, no provision has been considered necessary.

37.2.2 Sales Tax demands amounting to ₹144.09 lakhs (As at 31-03-2017: ₹412.73 lakhs) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed pending, no provision has been considered necessary.

37.2.3 Central Excise demands amounting to ₹217.00 lakhs (As at 31-03-2017: ₹ 52.55 lakhs) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed pending, no provision has been considered necessary.

37.2.4 In respect of the electricity matters relating to our Textile Division, the Company has filed appeals / writ petition for ₹291.87 lakhs (As at 31-03-2017: ₹291.87 lakhs) against various subjects to the matter of the appeal and the same is pending with Tamilnadu Electricity Regulatory Commission (TNERC) / Honourable High Court / Honourable Supreme Court for resolution. The Company is confident of resolving the matter in its favour and hence no provision is made in the books of accounts.

37.2.5 The Company had received two letters from Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) in the year 2000 and 2003 respectively claiming an amount totalling to ₹27.41 lakhs towards alleged violation of the terms and conditions of supply of electricity. The Company has deposited a sum of ₹16.87 lakhs on various dates under protest and filed writ petition before the Honourable High Court of Madras in the year 2003 and the same has been disposed of vide order dated 30.09.2003, hence both impugned orders are quashed and the matter is remitted to the responded Board for a fresh de novo enquiry. As on 31.03.2018 no further proceedings has been initiated by the department in this regard. Since no claim beyond a period of 2 years can be proceeded with under section 56 of the said Act, company initiated steps to get refund of ₹16.87 lakhs deposited in this regard. The management is confident of resolving the matter in its favour and hence no provision is made in the books of account.

37.2.6 The Company had received a letter dated 04.11.2009 from Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) withholding an amount of ₹46.54 lakhs pending resolution of Power Tariff Concession applicability to fibre cement sheet plant at Arakonam. This amount was withheld against our dues towards power sold to Tamil Nadu Electricity Board covered under the power purchase agreement. The Company preferred an appeal against TANGEDCO in the year 2009 and the matter is pending with the Honourable High Court of Madras. During the year, there was no development in the matter. The management is confident of collecting the withheld amount and no provision is made in the books of account.

37.2.7 Under Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligations) Regulations 2010, consumers owning grid connected captive power generating plants and open access consumers with a sanctioned demand of more than 2 MVA are obligated to consume a minimum of 0.5% of their energy requirements from solar sources. The non-complainants are required to purchase Renewable Energy Certificates (REC) from markets @ 1 REC per 1,000 units of shortage or deposit an equivalent amount in a separate designated fund. Even though the Company is consuming wind energy generated from its own wind farms, it has been excluded for reckoning the obligatory consumption, since the Company has wheeling and banking arrangement with TNEB. Aggrieved, the Company including other affected producers have approached the Honourable High court of Madras and obtained an interim stay against the implementation of the said regulation.

## NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

37.2.8 The Company had put up a plant in Silvassa in The Union Territory of Daman, Diu, Dadra and Nagar Haveli in the year 1998 and availed VAT and CST exemption for the period of 15 years ending on March 2013 based on a certificate of exemption given by appropriate authority in exercise of powers conferred on it by relevant provision of the CST Act, 1956. This power of granting exemption was withdrawn with retrospective effect by an amendment in Finance Act 2002 and the sales tax department has followed it up by issuing a circular for compulsory production of concessional sales tax forms for availing CST exemption. The differential sales tax liability for the year 1998 to the year 2002 works out to ₹ 37 Crores. However, the Company was not in receipt of any demand from the appropriate authority. Aggrieved by the department circular and as an additional precaution, the Company had filed an appeal with Bombay High Court and the Bombay High Court has quashed the circular issued by the Commercial tax department, Silvassa, The Union Territory of Daman, Diu, Dadra and Nagar Haveli thereby allowing continuance of CST exemption even after amendment of relevant provision of CST Act, 1956 by the Finance Act, 2002. But the department of Commercial Tax, Silvassa has preferred an appeal against the Bombay High Court order before the Honourable Supreme Court and the adjudication and the court hearing is in process pending final disposal by the Honourable Supreme Court.

Based on the decision of Bombay High Court and interpretations of other relevant provisions, the Company has been legally advised that there will not be any demand likely to be raised or if the demand is raised it is likely to be deleted or substantially reduced and accordingly no provision is considered necessary.

37.2.9 The Company received a notice from the Department of Revenue Intelligence (DRI) for an amount of ₹ 41.23 lakhs excluding interest and penalty pertaining to the year 2009-10 for short payment of customs duty to the extent of utilization of DEPB Scrip's purchased in the open market by the Company and which were originally obtained by the ultimate export firms fraudulently as alleged by the DRI. The Company had denied the allegations made in the notice in so far as they relate to the Company's role is concerned and also the obligation to pay the duty demanded in the notice vide its letter dated August 4, 2014. We attended the personal hearing before the assistant commissioner of customs JNPT Mumbai during October 2016 and awaiting for the favorable order. The Management is confident of resolving the matter in favour of the Company and hence no provision is considered necessary.

37.2.10 The Government of West Bengal enacted "The West Bengal Tax on Entry of goods into Local Areas Act, 2012" and writ petitions was filed by RIL challenging the validity of the said Act. The Calcutta High Court passed order on 20.04.2017 stating that it is no longer retains the jurisdiction over the subject writ petition and directed "West Bengal Taxation Tribunal" to decide the case. The company has not received any demand.

37.2.11 (A) The Company is eligible for incentives under the "Bihar Industrial Incentive Policy 2006" in respect of its Fibre Cement Plant at Bihiya in the State of Bihar. During the year under review,

- No amount was received as Incentive grant during this year (As at 31-03-2017: ₹824.04 lakhs) as accrued Industrial Promotion Assistance
- We have recognised a sum of ₹11.70 lakhs due to fair valuation of Govt. Grants as per Ind AS
- Incentive Scheme under GST regime from 1st July, 2017 onwards is yet to be finalised by the Govt. of Bihar

(B) The company is eligible for incentive under the "Rajasthan Investment Promotion Scheme 2010" in respect of its Calcium silicate Board Plant at Kotputli in the state of Rajasthan, during the year under review,

- No amount was received as Incentive grant during the year (As at 31-03-2017: ₹NIL) as Industrial Promotion Assistance.
- Incentive Scheme under GST regime from 1st July, 2017 onwards is yet to be finalised by the Govt. of Rajasthan.

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

₹ In Lakhs

|            |  |                             |                             |
|------------|--|-----------------------------|-----------------------------|
| <b>38.</b> | <b>Financial guarantees</b>  | <b>As at<br/>31-03-2018</b> | <b>As at<br/>31-03-2017</b> |
|            | Guarantees given to banks to avail loan facilities by Related parties: |                             |                             |
|            | - Thanjavur Spinning Mill Limited                                      | 3,500.00                    | 3,500.00                    |
|            | - Sri Harini Textiles Limited  | 4,629.00                    | 4,629.00                    |

**39. As per Ind AS 19, the disclosures pertaining to “Employee Benefits” are given below:**

**Defined Contribution Plan**

₹ In Lakhs

|  |                   |                   |
|--|-------------------|-------------------|
| <b>Particulars</b>                             | <b>31-03-2018</b> | <b>31-03-2017</b> |
| Employer’s Contribution to Provident Fund      | 397.09            | 392.70            |
| Employer’s Contribution to Superannuation Fund | 29.57             | 27.98             |

**Principal Actuarial Assumptions  
(Expressed as weighted averages)**

| Particulars                             | Gratuity Plan<br>(Funded) |            | Compensated<br>Absences (Un-funded) |            |
|---|---------------------------|------------|-------------------------------------|------------|
|   | 31-03-2018                | 31-03-2017 | 31-03-2018                          | 31-03-2017 |
| Discount Rate                           | 7.60%                     | 6.90%      | 7.60%                               | 6.90%      |
| Rate of increase in compensation levels | 6.00%                     | 6.00%      | 6.00%                               | 6.00%      |
| Attrition Rate                          | 7.95%                     | 7.95%      | 7.95%                               | 7.95%      |
| Expected rate of return on Plan Assets  | 7.60%                     | 6.90%      | 0.00%                               | 0.00%      |

**Changes In The Present Value Of The Obligation (PVO)**

₹ In Lakhs

| Particulars  | Gratuity Plan<br>(Funded) |            | Compensated<br>Absences (Un-funded) |            |
|--|---------------------------|------------|-------------------------------------|------------|
|  | 31-03-2018                | 31-03-2017 | 31-03-2018                          | 31-03-2017 |
| PVO as at the beginning of the period                  | 1,181.12                  | 956.28     | 583.63                              | 467.92     |
| Interest Cost  | 72.40                     | 71.76      | 36.09                               | 34.75      |
| Current service cost                                   | 104.40                    | 88.14      | 71.01                               | 72.45      |
| Past service cost                                      | -                         | -          | -                                   | -          |
| Benefits paid  | -263.52                   | -72.49     | -121.19                             | -44.78     |
| Actuarial loss/(gain) on obligation (balancing figure) | 23.43                     | 137.42     | 48.75                               | 53.30      |
| PVO as at the end of the period                        | 1,117.83                  | 1,181.12   | 618.29                              | 583.63     |

**Changes In The Fair Value Of Plan Assets - Reconciliation Of Opening And Closing Balances:**

₹ In Lakhs

| Particulars   | Gratuity Plan<br>(Funded) |            | Compensated<br>Absences (Un-funded) |            |
|---|---------------------------|------------|-------------------------------------|------------|
|   | 31-03-2018                | 31-03-2017 | 31-03-2018                          | 31-03-2017 |
| Fair value of plan assets as at the beginning of the period | 911.53                    | 795.65     | -                                   | -          |
| Expected return on plan assets                              | 63.10                     | 63.85      | -                                   | -          |
| Contributions   | 269.59                    | 118.31     | 121.19                              | 44.78      |
| Benefits paid   | -263.52                   | -72.49     | -121.19                             | -44.78     |
| Actuarial gain/(loss) on plan assets [balancing figure]     | 91.42                     | 6.22       | -                                   | -          |
| Fair value of plan assets as at the end of the period       | 1,072.12                  | 911.53     | -                                   | -          |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**
**Actual Return on Plan Assets**

₹ In Lakhs

| Particulars                          | Gratuity Plan (Funded) |            | Compensated Absences (Un-funded) |            |
|--------------------------------------|------------------------|------------|----------------------------------|------------|
|                                      | 31-03-2018             | 31-03-2017 | 31-03-2018                       | 31-03-2017 |
| Expected return on plan assets       | 63.10                  | 63.85      | -                                | -          |
| Actuarial gain (loss) on plan assets | 91.42                  | 6.22       | -                                | -          |
| Actual return on plan assets         | 154.52                 | 70.07      | -                                | -          |

**Actuarial Gains and Losses Recognized**

₹ In Lakhs

| Particulars  | Gratuity Plan (Funded) |            | Compensated Absences (Un-funded) |            |
|--|------------------------|------------|----------------------------------|------------|
|  | 31-03-2018             | 31-03-2017 | 31-03-2018                       | 31-03-2017 |
| Actuarial gain (loss) for the year - obligation                | -23.43                 | -137.42    | -48.75                           | -53.30     |
| Actuarial gain (loss) for the year - plan assets               | 91.42                  | 6.22       | -                                | -          |
| Subtotal   | 67.99                  | -131.20    | -48.75                           | -53.30     |
| Actuarial (gain) / loss recognized                             | -67.99                 | 131.20     | 48.75                            | 53.30      |
| Unrecognized actuarial gains (losses) at the end of the period | -                      | -          | -                                | -          |

**Amounts Recognised in the Balance Sheet and Related Analyses**

₹ In Lakhs

| Particulars  | Gratuity Plan (Funded) |            | Compensated Absences (Un-funded) |            |
|--|------------------------|------------|----------------------------------|------------|
|  | 31-03-2018             | 31-03-2017 | 31-03-2018                       | 31-03-2017 |
| Present value of the obligation  | 1,117.83               | 1,181.12   | 618.29                           | 583.63     |
| Fair value of plan assets  | 1,072.12               | 911.53     | -                                | -          |
| Amount determined under Para 63 of Ind AS 19                                 | 45.71                  | 269.59     | -                                | -          |
| Net Defined Benefit Liability recognized in the balance sheet                | 45.71                  | 269.59     | 618.29                           | 583.63     |
| Present value of future reduction in contribution under Para 65 of Ind AS 19 | -                      | -          | -                                | -          |
| Net Defined Benefit Asset recognised under Para 64 of Ind AS 19              | -                      | -          | -                                | -          |

**Expenses Recognised in the Statement of Profit and Loss:**

₹ In Lakhs

| Particulars   | Gratuity Plan (Funded) |            | Compensated Absences (Un-funded) |            |
|---|------------------------|------------|----------------------------------|------------|
|   | 31-03-2018             | 31-03-2017 | 31-03-2018                       | 31-03-2017 |
| Current service cost                                    | 104.40                 | 88.14      | 71.01                            | 72.45      |
| Net Interest on Net Defined Benefit Obligations         | 9.30                   | 7.92       | 36.09                            | 34.75      |
| Net actuarial (gain)/loss recognised during the period  | -                      | -          | 48.75                            | 53.30      |
| Past service cost                                       | -                      | -          | -                                | -          |
| Expenses recognized in the statement of profit and loss | 113.70                 | 96.06      | 155.85                           | 160.50     |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**Amount Recognized for the Current Period in the Statement of Other Comprehensive Income [OCI]** ₹ In Lakhs

| Particulars  | Gratuity Plan (Funded) |            | Compensated Absences (Un-funded) |            |
|--|------------------------|------------|----------------------------------|------------|
|  | 31-03-2018             | 31-03-2017 | 31-03-2018                       | 31-03-2017 |
| Actuarial (gain)/loss on Plan Obligations  | 23.43                  | 137.42     | -                                | -          |
| Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss | -91.42                 | -6.22      | -                                | -          |
| Effect of Balance Sheet asset limit  | -                      | -          | -                                | -          |
| Amount recognized in OCI for the current period                                  | -67.99                 | 131.20     | -                                | -          |

**Movements in the Liability Recognized in the Balance Sheet** ₹ In Lakhs

| Particulars  | Gratuity Plan (Funded) |            | Compensated Absences (Un-funded) |            |
|--|------------------------|------------|----------------------------------|------------|
|  | 31-03-2018             | 31-03-2017 | 31-03-2018                       | 31-03-2017 |
| Opening net liability adjusted for effect of balance sheet limit | 269.59                 | 160.64     | 583.63                           | 467.92     |
| Amount recognised in Profit and Loss                             | 113.70                 | 96.06      | 155.85                           | 160.50     |
| Amount recognised in OCI   | -67.99                 | 131.20     | -                                | -          |
| Contribution paid  | -269.59                | -118.31    | -121.19                          | -44.78     |
| Closing net liability  | 45.71                  | 269.59     | 618.29                           | 583.63     |

**Amount for the Current Period** ₹ In Lakhs

| Particulars   | Gratuity Plan (Funded) |            | Compensated Absences (Un-funded) |            |
|---|------------------------|------------|----------------------------------|------------|
|   | 31-03-2018             | 31-03-2017 | 31-03-2018                       | 31-03-2017 |
| Present Value of obligation                                     | 1,117.83               | 1,181.12   | 618.29                           | 583.63     |
| Plan Assets   | 1,072.12               | 911.53     | -                                | -          |
| Surplus (Deficit)   | -45.71                 | -269.59    | -618.29                          | -583.63    |
| Experience adjustments on plan liabilities -(loss)/gain         | -71.14                 | -80.00     | -74.49                           | -23.10     |
| Impact of Change in Assumptions on Plan Liabilities-(loss)/gain | 47.71                  | -57.42     | 25.74                            | -30.20     |
| Experience adjustments on plan assets -(loss)/gain              | 91.42                  | 6.22       | -                                | -          |

**Major Categories of Plan Assets (as Percentage of total Plan Assets)**

| Particulars                    | Gratuity Plan (Funded) |            | Compensated Absences (Un-funded) |            |
|--------------------------------|------------------------|------------|----------------------------------|------------|
|                                | 31-03-2018             | 31-03-2017 | 31-03-2018                       | 31-03-2017 |
| Funds managed by Insurer (LIC) | 100.00%                | 100.00%    | 0.00%                            | 0.00%      |

**Enterprise's best Estimate of Contribution During Next Year**

| Particulars   | Gratuity Plan (Funded) |            | Compensated Absences (Un-funded) |            |
|---|------------------------|------------|----------------------------------|------------|
|   | 31-03-2018             | 31-03-2017 | 31-03-2018                       | 31-03-2017 |
| Enterprise's Best Estimate Of Contribution During Next Year | NA                     | NA         | -                                | -          |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**
**Sensitivity Analyses**

₹ In Lakhs

| Particulars                      | Gratuity Plan (Funded) |            | Compensated Absences (Un-funded) |            |
|----------------------------------|------------------------|------------|----------------------------------|------------|
|                                  | 31-03-2018             | 31-03-2017 | 31-03-2018                       | 31-03-2017 |
| A. Discount Rate + 50 BP         | 8.10%                  | 7.40%      | 8.10%                            | 7.40%      |
| Defined Benefit Obligation [PVO] | 1,085.94               | 1,148.52   | 601.08                           | 566.48     |
| Current Service Cost             | 101.79                 | 100.73     | 70.17                            | 68.74      |
| B. Discount Rate - 50 BP         | 7.10%                  | 6.40%      | 7.10%                            | 6.40%      |
| Defined Benefit Obligation [PVO] | 1,151.52               | 1,215.59   | 636.47                           | 601.78     |
| Current Service Cost             | 109.45                 | 108.33     | 74.88                            | 73.42      |
| C. Salary Escalation Rate +50 BP | 6.50%                  | 6.50%      | 6.50%                            | 6.50%      |
| Defined Benefit Obligation [PVO] | 1,153.51               | 1,217.32   | 636.66                           | 601.86     |
| Current Service Cost             | 109.67                 | 108.51     | 74.91                            | 73.43      |
| D. Salary Escalation Rate -50 BP | 5.50%                  | 5.50%      | 5.50%                            | 5.50%      |
| Defined Benefit Obligation [PVO] | 1,083.77               | 1,146.58   | 600.75                           | 566.26     |
| Current Service Cost             | 101.56                 | 100.52     | 70.13                            | 68.71      |

**Expected Contributions in Following Years**

₹ In Lakhs

| Particulars  | Gratuity Plan (Funded) |            | Compensated Absences (Un-funded) |            |
|--------------|------------------------|------------|----------------------------------|------------|
|              | 31-03-2018             | 31-03-2017 | 31-03-2018                       | 31-03-2017 |
| Year 1       | NA                     | NA         | 63.72                            | 55.13      |
| Year 2       | NA                     | NA         | 77.03                            | 72.31      |
| Year 3       | NA                     | NA         | 57.54                            | 54.91      |
| Year 4       | NA                     | NA         | 83.34                            | 52.39      |
| Year 5       | NA                     | NA         | 52.05                            | 65.40      |
| Next 5 Years | NA                     | NA         | 253.72                           | 238.31     |

**Expected Benefit Payments in Following Years**

₹ In Lakhs

| Particulars  | Gratuity Plan (Funded) |            | Compensated Absences (Un-funded) |            |
|--------------|------------------------|------------|----------------------------------|------------|
|              | 31-03-2018             | 31-03-2017 | 31-03-2018                       | 31-03-2017 |
| Year 1       | 138.23                 | 123.74     | 63.72                            | 55.13      |
| Year 2       | 163.72                 | 313.93     | 77.03                            | 72.31      |
| Year 3       | 132.95                 | 105.80     | 57.54                            | 54.91      |
| Year 4       | 148.94                 | 116.12     | 83.34                            | 52.39      |
| Year 5       | 119.55                 | 121.22     | 52.05                            | 65.40      |
| Next 5 Years | 558.31                 | 491.17     | 253.72                           | 238.31     |

**40. Earnings per Share**

₹ In Lakhs

| Particulars  | 31-3-2018 | 31-3-2017 |
|--|-----------|-----------|
| Net profit after tax (A)   | 7,205.15  | 5,987.30  |
| Weighted average number of Equity shares including un-allotted Bonus shares (B) [In Lakhs] | 866.63    | 866.63    |
| Nominal value per equity share (in ₹)  | 1         | 1         |
| Basic & Diluted Earnings per share (A)/(B) in ₹  | 8.31      | 6.91      |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**41. Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31<sup>st</sup> March 2018:**

(a) Subsidiary

| Name of the Company   | Country of Incorporation | % of Shareholding as at |            |
|---|--------------------------|-------------------------|------------|
|   |                          | 31-03-2018              | 31-03-2017 |
| Sudharsanam Investments Limited   | India                    | 100.00                  | 100.00     |
| Sri Ramco Lanka (Private) Ltd   | Srilanka                 | 99.99                   | 99.99      |
| Sri Ramco Roofings Lanka (Private) Ltd*   | Srilanka                 | 1.27                    | 1.27       |
| <b>*Step down subsidiary</b>  |                          |                         |            |
| Sri Ramco Lanka (Private) Ltd holding in Sri Ramco Roofings Lanka (Private) Ltd | Srilanka                 | 98.73                   | 98.73      |

(b) Associates

| Name of the Company                | Country of Incorporation | % of Shareholding as at |            |
|------------------------------------|--------------------------|-------------------------|------------|
|                                    |                          | 31-03-2018              | 31-03-2017 |
| The Ramco Cements Limited          | India                    | 20.93                   | 20.71      |
| Ramco Systems Limited              | India                    | 17.90                   | 17.98      |
| Rajapalayam Mills Limited          | India                    | 1.80                    | 1.80       |
| Ramco windfarms Limited            | India                    | -                       | 2.65       |
| Ontime Industrial Services Limited | India                    | 17.77                   | 17.77      |
| Madurai Trans Carrier Limited      | India                    | 17.17                   | 17.17      |
| Lynks Logistics Limited            | India                    | 0.46                    | 2.71       |

(c) Key Management Personnel and Directors

| Name of the Key Management Personnel     | Designation                         |
|--|-------------------------------------|
| P.R. Ramasubrahmaneya Rajha              | Chairman (upto 11-05-2017)          |
| P.R. Venketrama Raja                     | Chairman (from 04-06-2017)          |
| P.V. Abinav Ramasubramaniam Raja         | Managing Director (from 04-06-2017) |
| Prem G Shanker                           | Chief Executive Officer             |
| K. Sankaranarayanan                      | Chief Financial Officer             |
| S. Balamurugasundaram                    | Company Secretary                   |
| S.S. Ramachandra Raja                    | Independent Director                |
| K.T. Ramachandran                        | Independent Director                |
| N.K. Shrikantan Raja                     | Independent Director                |
| R.S. Agarwal                             | Independent Director                |
| V. Santhanaraman                         | Independent Director                |
| Smt. Justice Chitra Venkataraman (Retd.) | Independent Director                |



**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

(d) Relative of Key Management Personnel

| Name of the Relative of KMP      | Relationship                       |
|----------------------------------|------------------------------------|
| P.V. Abinav Ramasubramaniam Raja | Son of P.R. Venketrama Raja        |
| P.V. Nirmala                     | Wife of P.R. Venketrama Raja       |
| R. Sudarsanam                    | Mother of P.R. Venketrama Raja     |
| P.V. Srisandhya                  | Daughter of P.R. Venketrama Raja   |
| Ramaraju                         | Son in Law of P.R. Venketrama Raja |
| S. Saradha Deepa                 | Sister of P.R. Venketrama Raja     |
| R. Nalina Ramalakshmi            | Sister of P.R. Venketrama Raja     |

(e) Companies over which KMP/Relatives of KMP exercise significant influence

|  |  |
|--|--|
| Ramco Company                                    | R. Sudarsanam & Co                             |
| Gowrihouse Metal Works                           | Gowri Shankar Screws                           |
| Timeous, USA                                     | Lotus Knitting Mills                           |
| Sudarasana Farms Private Limited                 | Rajapalayam Farms Private Limited              |
| Ramco Private Limited                            | Sri Sandhya Farms (India) Private Limited      |
| Ramamandiram Agricultural Estate Private Limited | Nalina Agricultural Farms Private Limited      |
| Sri Saradha Deepa Farms Private Limited          | Sri Nithyalakshmi Farms Private Limited        |
| Nirmala Shankar Farms & Estates Private Limited  | Ram Sandhya Farms Private Limited              |
| RCDC Securities and Investments Private Limited  | Ramco Management Private Limited               |
| Ramco Agencies Private Limited                   | Barefoot Dance Company Private Limited         |
| Sound Investment & Leasing Private Limited       | Satmala Agro-Farms Private Limited             |
| Bharani Bio-Tech Private Limited                 | Parimala Chemicals Private Limited             |
| Pranahita Power Generation Private Limited       | Barefoot Media & Entertainment Private Limited |
| The Ramco Cements Limited                        | Rajapalayam Mills Ltd                          |
| Ramaraju Surgical Cotton Mills Ltd               | Sri Vishnu Shankar Mills Ltd                   |
| Sandhya Spinning Mill Ltd                        | Rajapalayam Textile Ltd                        |
| Ramco Systems Limited                            | Lynks Logistics Limited                        |
| Vinvent Chemilab Private Limited                 | JKR Enterprises Limited                        |
| Shri Harini Media Limited                        |  |

(f) Employee Benefit Funds where control exists

|  |
|--|
| Ramco Industries Limited Officers' Superannuation Fund |
| Ramco Industries Limited Employees' Gratuity Fund      |

(g) Other entities over which there is a significant influence

|  |  |
|--|--|
| Smt. Lingammal Ramaraju Shastra Prathishta Trust | The Ramco Cements Limited Educational and Charitable Trust |
| PACR Sethurammam Charity Trust                   | PACR Sethurammam Charities                                 |
| Ramco Welfare Trust                              | PAC Ramasamy Raja Education Charity Trust                  |
| Raja Charity Trust                               | Rajapalayam Rotary Trust                                   |
| Sri Abhinava Vidyatheertha Seva Trust            | Ramco Debate And Research Educational And Charitable Trust |
| Sastra Prakasika Trust                           | PAC Ramasamy Raja Centenary Trust                          |
| Thangavilas Estate                               |  |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**42. Disclosure in respect of Related Party Transactions (excluding Reimbursements) during the year and outstanding balances including commitments as at the reporting date:**

**a. Transactions during the year**

₹ in Lakhs

| S.No.                          | Nature of Transaction, Name of the Related Party and Relationship                 | 31-03-2018      | 31-03-2017 |
|--------------------------------|---|-----------------|------------|
| 1                              | <b>Sale of Goods</b>  |                 |            |
|                                | <b>Associates</b>   |                 |            |
|                                | The Ramco Cements Limited   | 7.36            | 32.72      |
|                                | Rajapalayam Mills Limited   | 175.80          | 159.98     |
|                                | <b>Companies over which KMP / Relatives of KMP exercise significant influence</b> |                 |            |
|                                | Rajapalayam Textile Limited   | 698.88          | 479.80     |
|                                | The Ramaraju Surgical Cotton Mills Limited  | 56.82           | 178.82     |
|                                | Sri Vishnu Shankar Mills Limited  | 596.17          | 254.70     |
|                                | Sandhya Spinning Mill Limited   | 375.04          | 9.73       |
|                                | Sri Harini Textiles Limited   | 64.77           | 92.09      |
|                                | Thanjavur Spinning Mill Limited   | 37.47           | 219.16     |
|                                | <b>Subsidiary</b>   |                 |            |
|                                | Sri Ramco Lanka (Private) Ltd   | 13.08           | 81.57      |
|                                | Sri Ramco Roofings Lanka (Private) Ltd  | 5.38            | 60.62      |
|                                | <b>Other entities over which there is a significant influence</b>                 |                 |            |
|                                | Raja Charity Trust  | -               | 6.05       |
|                                | P A C Ramasamy Raja Education Charity Trust                                       | 0.92            | -          |
| PACR Sethurammam Charity Trust | 0.31  | -               |            |
| <b>Total</b>                   | <b>2,032.00</b>   | <b>1,575.24</b> |            |
| 2                              | <b>Sale of Goods - Cement</b>   |                 |            |
|                                | <b>Associates</b>   |                 |            |
|                                | The Ramco Cements Limited   | 3,672.05        | 3,545.10   |
| <b>Total</b>                   | <b>3,672.05</b>   | <b>3,545.10</b> |            |
| 3                              | <b>Sale of Assets of Cement Grinding Plant in Kharagpur</b>                       |                 |            |
|                                | <b>Associates</b>   |                 |            |
|                                | The Ramco Cements Limited   | 2,113.05        | -          |
| <b>Total</b>                   | <b>2,113.05</b>   | <b>-</b>        |            |
| 4                              | <b>Purchase of Goods - Clinker</b>  |                 |            |
|                                | <b>Associates</b>   |                 |            |
|                                | The Ramco Cements Limited   | 1,607.67        | 1,732.75   |
| <b>Total</b>                   | <b>1,607.67</b>   | <b>1,732.75</b> |            |
| 5                              | <b>Purchase of Goods - Flyash</b>   |                 |            |
|                                | <b>Associates</b>   |                 |            |
|                                | The Ramco Cements Limited   | 37.12           | -          |
| <b>Total</b>                   | <b>37.12</b>  | <b>-</b>        |            |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

| S.No.        | Nature of Transaction, Name of the Related Party and Relationship                 | 31-03-2018      | 31-03-2017      |
|--------------|---|-----------------|-----------------|
| 6            | <b>Purchase of Goods</b>  |                 |                 |
|              | <b>Associates</b>   |                 |                 |
|              | The Ramco Cements Limited   | 1,000.63        | 1,269.01        |
|              | Rajapalayam Mills Limited   | 649.44          | 461.40          |
|              | Ramco Windfarms Limited   | 176.40          | 152.76          |
|              | <b>Companies over which KMP / Relatives of KMP exercise significant influence</b> |                 |                 |
|              | The Ramaraju Surgical Cotton Mills Limited  | 59.36           | 137.61          |
|              | Sri Vishnu Shankar Mills Limited  | 903.70          | 336.12          |
|              | Sandhya Spinning Mill Limited   | 603.31          | 410.78          |
|              | Rajapalayam Textile limited   | 63.32           | 149.75          |
|              | Thanjavur Spinning Mill Limited   | 11.60           | 134.86          |
|              | Vinvent Chemilab Private Limited  | 49.01           | -               |
|              | JKR Enterprise Limited  | 3.76            | -               |
|              | <b>Other entities over which there is a significant influence</b>                 |                 |                 |
|              | PACR Sethurammam Charity Trust  | 20.88           | 12.01           |
|              | <b>Total</b>  | <b>3,541.41</b> | <b>3,064.30</b> |
| 7            | <b>Receiving of Services</b>  |                 |                 |
|              | <b>Associates</b>   |                 |                 |
|              | Rajapalayam Mills Limited   | 4.42            | -               |
|              | <b>Companies over which KMP / Relatives of KMP exercise significant influence</b> |                 |                 |
|              | Sri Vishnu Shankar Mills Limited  | -               | 4.06            |
|              | Sandhya Spinning Mill Limited   | 0.95            | 0.21            |
|              | The Ramaraju Surgical Cotton Mills Limited  | -               | 1.44            |
|              | <b>Other entities over which there is a significant influence</b>                 |                 |                 |
|              | Raja Charity Trust  | 615.91          | 384.02          |
|              | <b>Total</b>  | <b>621.28</b>   | <b>389.73</b>   |
| 8            | <b>Services Rendered</b>  |                 |                 |
|              | <b>Associates</b>   |                 |                 |
|              | Rajapalayam Mills Limited   | 104.56          | 1.12            |
|              | <b>Companies over which KMP / Relatives of KMP exercise significant influence</b> |                 |                 |
|              | Rajapalayam Textile Limited   | -               | 0.47            |
|              | The Ramaraju Surgical Cotton Mills Limited  | 3.55            | 1.90            |
|              | Sandhya Spinning Mill Limited   | 2.16            | 5.96            |
|              | Thanjavur Spinning Mill Limited   | -               | 2.28            |
|              | Sri Vishnu Shankar Mills Limited  | 0.38            | 1.23            |
| <b>Total</b> | <b>110.65</b>   | <b>12.96</b>    |                 |
| 9            | <b>Services Rendered - Royalty</b>  |                 |                 |
|              | <b>Subsidiaries</b>   |                 |                 |
|              | Sri Ramco Lanka (Private) Ltd   | 804.22          | 1,031.67        |
|              | Sri Ramco Roofings Lanka (Private) Ltd  | 678.41          | 842.53          |
| <b>Total</b> | <b>1,482.63</b>   | <b>1,874.20</b> |                 |
| 10           | <b>Receiving of Services - Software Related Services</b>                          |                 |                 |
|              | <b>Associates</b>   |                 |                 |
|              | Ramco Systems Limited   | 292.47          | 625.49          |
| <b>Total</b> | <b>292.47</b>   | <b>625.49</b>   |                 |
| 11           | <b>Receiving of Services - Advertisement</b>                                      |                 |                 |
|              | <b>Companies over which KMP / Relatives of KMP exercise significant influence</b> |                 |                 |
|              | Shri Harini Media Limited   | 4.73            | 4.55            |
| <b>Total</b> | <b>4.73</b>   | <b>4.55</b>     |                 |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

| S.No. | Nature of Transaction, Name of the Related Party and Relationship         | 31-03-2018 | 31-03-2017 |
|-------|---|------------|------------|
| 12    | <b>Rendering of Services - Manpower Supply</b>                            |            |            |
|       | <b>Other entities over which there is a significant influence</b>         |            |            |
|       | Raja Charity Trust  | 180.90     | 103.42     |
|       | <b>Total</b>  | 180.90     | 103.42     |
| 13    | <b>Leasing Arrangements - Rent Received</b>                               |            |            |
|       | <b>Associates</b>   |            |            |
|       | The Ramco Cements Limited   | 0.69       | 0.42       |
|       | <b>Other entities over which there is a significant influence</b>         |            |            |
|       | Sri Abhinava Vidhyatheertha Seva Trust                                    | 0.03       | 0.03       |
|       | <b>Total</b>  | 0.72       | 0.45       |
| 14    | <b>Dividend received</b>  |            |            |
|       | <b>Subsidiary</b>   |            |            |
|       | Sri Ramco Lanka (Private) Ltd   | 1,533.26   | 3,737.38   |
|       | Sri Ramco Roofings Lanka (Private) Ltd                                    | 5.33       | 22.58      |
|       | <b>Associates</b>   |            |            |
|       | The Ramco Cements Limited   | 1,479.17   | -          |
|       | Rajapalayam Mills Limited   | 5.09       | -          |
|       | <b>Total</b>  | 3,112.53   | 3,759.96   |
| 15    | <b>Dividend Paid</b>  |            |            |
|       | <b>Associates</b>   |            |            |
|       | The Ramco Cements Limited   | 66.86      | -          |
|       | Rajapalayam Mills Limited   | 39.60      | -          |
|       | <b>Other entities over which there is a significant influence</b>         |            |            |
|       | The Ramaraju Surgical Cotton Mills Limited                                | 0.68       | -          |
|       | <b>Key Management Personnel</b>   |            |            |
|       | P.R. Venketrana Raja, Chairman  | 31.10      | -          |
|       | P.V.Abinav Ramasubramaniam Raja, Managing Director                        | 0.20       | -          |
|       | Prem G shanker  | 0.05       | -          |
|       | <b>Total</b>  | 138.49     | -          |
| 16    | <b>Remuneration to Key Management Personnel (Other than Sitting Fees)</b> |            |            |
|       | P.R. Venketrana Raja, Chairman  | 72.68      | 313.07     |
|       | P.V.Abinav Ramasubramaniam Raja, Managing Director                        | 206.57     | -          |
|       | Prem G Shanker, Chief Executive Officer                                   | 172.35     | 137.60     |
|       | K. Sankaranarayanan, Chief Financial Officer                              | 58.48      | 54.35      |
|       | S. Balamurugasundaram, Company Secretary                                  | 25.04      | 21.69      |
|       | <b>Total</b>  | 535.12     | 526.71     |
| 17    | <b>Directors' Sitting Fees</b>  |            |            |
|       | <b>Key Management Personnel</b>   |            |            |
|       | P.R. Ramasubrahmaneya Rajha   | -          | 1.50       |
|       | P.R. Venketrana Raja, Chairman  | 2.25       | -          |
|       | P.V. Abinav Ramasubramaniam Raja  | 1.00       | -          |
|       | S.S. Ramachandra Raja   | 1.25       | 0.75       |
|       | N.K. Shrikantan Raja  | 2.00       | 1.75       |
|       | K.T. Ramachandran   | 2.00       | 2.75       |
|       | R.S. Agarwal  | 3.50       | 3.25       |
|       | V. Santhanaraman  | 1.50       | 1.25       |
|       | Smt. Justice Chitra Venkataraman (Retd.)                                  | 2.75       | 2.25       |
|       | <b>Total</b>  | 16.25      | 13.50      |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

| S.No. | Nature of Transaction, Name of the Related Party and Relationship       | 31-03-2018    | 31-03-2017      |
|-------|---|---------------|-----------------|
| 18    | <b>Interest Received / (Paid)</b>                                       |               |                 |
|       | <b>Subsidiary</b>   |               |                 |
|       | Sudharsanam Investments Limited   | 40.78         | 43.25           |
|       | <b>Total</b>  | <b>40.78</b>  | <b>43.25</b>    |
| 19    | <b>Investment in Equity shares during the year</b>                      |               |                 |
|       | <b>Associates</b>   |               |                 |
|       | Ramco Windfarms Limited   | 0.75          | -               |
|       | <b>Total</b>  | <b>0.75</b>   | <b>-</b>        |
| 20    | <b>Sale of Share during the year</b>                                    |               |                 |
|       | <b>Other entities over which there is a significant influence</b>       |               |                 |
|       | Sri Vishnu Shankar Mills Limited  | 3.40          | -               |
|       | Key Management Personnel  |               |                 |
|       | P.R. Venketrana Raja  | -             | 1,263.05        |
|       | <b>Total</b>  | <b>3.40</b>   | <b>1,263.05</b> |
| 21    | <b>Maximum amount of loans and advances outstanding during the year</b> |               |                 |
|       | <b>Subsidiary</b>   |               |                 |
|       | Sudharsanam Investments Limited   | 461.93        | 511.00          |
|       | <b>Total</b>  | <b>461.93</b> | <b>511.00</b>   |
| 22    | <b>Contribution to Superannuation Fund / Gratuity Fund</b>              |               |                 |
|       | <b>Employee Benefit Funds where Control Exists</b>                      |               |                 |
|       | Ramco Industries Limited Officers' Superannuation Fund                  | 29.57         | 27.98           |
|       | Ramco Industries Limited Employees' Gratuity Fund                       | 45.71         | 227.26          |
|       | <b>Total</b>  | <b>75.28</b>  | <b>255.24</b>   |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**b. Outstanding balances including commitment**

| S.No | Nature of Outstanding Balances, Name of the Related Party and Relationship        | 31-03-2018      | 31-03-2017      |
|------|---|-----------------|-----------------|
| 1    | <b>Trade Receivables</b>  |                 |                 |
|      | <b>Subsidiaries</b>   |                 |                 |
|      | Sri Ramco Lanka (Private) Ltd   | 186.02          | 274.56          |
|      | Sri Ramco Roofings Lanka (Private) Ltd  | 170.82          | 162.75          |
|      | Companies over which KMP / Relatives of KMP exercise significant influence        |                 |                 |
|      | Vincent Chemilab Private Limited  | 4.76            | -               |
|      | <b>Total</b>  | <b>361.60</b>   | <b>437.31</b>   |
| 2    | <b>Payables</b>   |                 |                 |
|      | <b>Other entities over which there is a significant influence</b>                 |                 |                 |
|      | Raja Charity Trust  | 39.25           | 15.22           |
|      | <b>Total</b>  | <b>39.25</b>    | <b>15.22</b>    |
| 3    | <b>Corporate Guarantees given to lenders of Related parties</b>                   |                 |                 |
|      | <b>Companies over which KMP / Relatives of KMP exercise significant influence</b> |                 |                 |
|      | Thanjavur Spinning Mill Limited   | 3,500.00        | 3,500.00        |
|      | Sri Harini Textiles Limited   | 4,629.00        | 4,629.00        |
|      | <b>Total</b>  | <b>8,129.00</b> | <b>8,129.00</b> |

*Note: The above outstanding balances at the respective reporting dates are unsecured and settlement occurs in cash or through provision of goods / services, in case of unadjusted advances.*

Disclosure of Key Management Personnel compensation in total and for each of the following categories: ₹ in Lakhs

| Particulars  | 31-03-2018    | 31-03-2017    |
|--|---------------|---------------|
| Short - Term Benefits (1)                          |               |               |
| Defined Contribution Plan (2)                      | 538.37        | 526.72        |
| Defined Benefit Plan / Other Long-term benefits(3) |               |               |
| <b>Total</b>                                       | <b>538.37</b> | <b>526.72</b> |

1. It includes bonus, sitting fees, and value of perquisites.

2. It includes contribution to Provident fund and Superannuation fund

3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

**43. Disclosure of Fair value measurements**

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**
**Financial Instruments by category**

₹ in Lakhs

| Particulars                  | Amortised Cost | FVTPL | FVTOCI | Carrying Amount | Fair Value |
|------------------------------|----------------|-------|--------|-----------------|------------|
| <b>As at 31-03-2018</b>      |                |       |        |                 |            |
| <b>Financial Assets</b>      |                |       |        |                 |            |
| Other Investments            | 2,807.83       | 4.20  | 604.41 | 3,416.44        | 3,416.44   |
| Loans and Advances           | 461.93         | -     | -      | 461.93          | 461.93     |
| Trade Receivables            | 8,704.44       | -     | -      | 8,704.44        | 8,704.44   |
| Cash and Bank Balances       | 632.2          | -     | -      | 632.2           | 632.2      |
| Other Financial Assets       | 779.39         | -     | -      | 779.39          | 779.39     |
| <b>Financial Liabilities</b> |                |       |        |                 |            |
| Borrowings                   | 21,253.70      | -     | -      | 21,253.70       | 21,253.70  |
| Trade Payables               | 3,505.38       | -     | -      | 3,505.38        | 3,505.38   |
| Other Financial Liabilities  | 8,547.51       | -     | -      | 8,547.51        | 8,547.51   |
| <b>As at 31-03-2017</b>      |                |       |        |                 |            |
| <b>Financial Assets</b>      |                |       |        |                 |            |
| Other Investments            | 2,070.70       | 3.75  | 733.38 | 2,807.83        | 2,807.83   |
| Loans and Advances           | 511.04         | -     | -      | 511.04          | 511.04     |
| Trade Receivables            | 7,317.63       | -     | -      | 7,317.63        | 7,317.63   |
| Cash and Bank Balances       | 553.80         | -     | -      | 553.80          | 553.80     |
| Other Financial Assets       | 1,168.76       | -     | -      | 1,168.76        | 1,168.76   |
| <b>Financial Liabilities</b> |                |       |        |                 |            |
| Borrowings                   | 33,613.31      | -     | -      | 33,613.31       | 33,613.31  |
| Trade Payables               | 5,112.21       | -     | -      | 5,112.21        | 5,112.21   |
| Other Financial Liabilities  | 10,616.45      | -     | -      | 10,616.45       | 10,616.45  |

**Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The details of financial instruments that are measured at fair value on recurring basis are given below:

₹ in Lakhs

| Particulars                                    | Level 1 | Level 2 | Level 3 | Total   |
|--|---------|---------|---------|---------|
| <b>Financial Instruments at FVTOCI</b>         |         |         |         |         |
| <b>Investments in listed equity securities</b> |         |         |         |         |
| As at 31-3-2018                                | 604.41  | -       | -       | 604.41  |
| As at 31-3-2017                                | 733.38  | -       | -       | 733.38  |
| <b>Actuarial Values</b>                        |         |         |         |         |
| As at 31-3-2018                                | -       | -       | 67.99   | 67.99   |
| As at 31-3-2017                                | -       | -       | -131.20 | -131.20 |
| <b>Financial Instruments at FVTPL</b>          |         |         |         |         |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

| Particulars                               | Level 1 | Level 2 | Level 3 | Total   |
|---|---------|---------|---------|---------|
| <b>Investment in mutual funds</b>         |         |         |         |         |
| As at 31-3-2018                           | 4.19    | -       | -       | 4.19    |
| As at 31-3-2017                           | 3.76    | -       | -       | 3.76    |
| <b>Foreign exchange forward contracts</b> |         |         |         |         |
| As at 31-3-2018                           | -       | 16.14   | -       | 16.14   |
| As at 31-3-2017                           | -       | -374.80 | -       | -374.80 |

**Valuation techniques used to determine the fair value**

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

| Nature of Financial Instrument                 | Valuation Technique        | Remarks   |
|--|----------------------------|---|
| Investment in Listed securities / Mutual Funds | Market Value               | Closing Price as at 31st March in Stock Exchange  |
| Investment in Unlisted securities              | Adjusted Net Assets        | Net Assets plus Cost Savings in operations of business based on Discounted cash flow method |
| Foreign exchange forward contracts             | Mark to Market             | Based on MTM valuations provided by the Banker  |
| Financial Guarantee Obligation                 | Differential Interest Rate | Interest rates quote have been obtained from the Banker                                     |

**44. Financial Risk Management**

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has the following financial risks:

| Categories of Risk | Nature of Risk                              |
|--------------------|---|
| Credit Risk        | Receivables                                 |
|                    | Financial Instruments and Cash deposits     |
| Liquidity Risk     | Fund Management                             |
| Market Risk        | Foreign Currency Risk                       |
|                    | Cash flow and fair value interest rate risk |

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

**Credit Risk**

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

**Receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers



## NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

are located in several jurisdictions and operate in largely independent markets. The Company maintains adequate security deposits from its customers in case of wholesale and retail segment. The exposures with the Government are generally unsecured but they are considered as good. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

₹ In Lakhs

| As at 31-03-2018                                       | Building Products | Textile Division | Windmill | Total    |
|--|-------------------|------------------|----------|----------|
| Gross carrying amount                                  | 5,550.84          | 3,439.00         | 142.03   | 9,131.87 |
| Expected Loss Rate                                     | 6.23%             | -                | 57.46%   | 4.68%    |
| Expected Credit Losses                                 | 345.82            | -                | 81.61    | 427.43   |
| Carrying amount of trade receivables net of impairment | 5,205.02          | 3,439.00         | 60.42    | 8,704.44 |

₹ In Lakhs

| As at 31-03-2017                                       | Building Products | Textile Division | Windmill | Total    |
|--|-------------------|------------------|----------|----------|
| Gross carrying amount                                  | 5,023.71          | 2,504.70         | 105.17   | 7,633.58 |
| Expected Loss Rate                                     | 4.82%             | -                | 70.14%   | 4.14%    |
| Expected Credit Losses                                 | 242.18            | -                | 73.77    | 315.95   |
| Carrying amount of trade receivables net of impairment | 4,781.53          | 2,504.70         | 31.40    | 7,317.63 |

### Financial instruments and cash deposits

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short term and medium term deposits placed with banks, and also investments made in mutual funds. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

### Liquidity Risk

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

### Financial arrangements

The Company has access to the following undrawn borrowing facilities:

₹ In Lakhs

| Particulars                         | 31-03-2018 | 31-03-2017 |
|-------------------------------------|------------|------------|
| <b>Expiring within one year</b>     |            |            |
| Bank Overdraft and other facilities | 36,550.00  | 25,585.00  |
| Term Loans                          | 2,063.00   | 7,063.00   |
| <b>Expiring beyond year</b>         |            |            |
| Term Loans                          | -          | -          |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**Maturities of Financial Liabilities**

₹ in Lakhs

| Nature of Financial Liability                | < 1 Year  | 1 - 5 Years | >5 years | Total     |
|--|-----------|-------------|----------|-----------|
| <b>As at 31-3-2018</b>                       |           |             |          |           |
| Borrowings from Banks                        | 15,683.27 | 5,570.44    | -        | 21,253.71 |
| Trade payables                               | 3,505.38  | -           | -        | 3,505.38  |
| Security Deposits payable                    | 2,808.97  | -           | -        | 2,808.97  |
| Other Financial Liabilities (Incl. Interest) | 3,058.55  | -           | -        | 3,058.55  |
| <b>As at 31-3-2017</b>                       |           |             |          |           |
| Borrowings from Banks                        | 27,160.82 | 6,452.49    | -        | 33,613.31 |
| Trade payables                               | 5,112.21  | -           | -        | 5,112.21  |
| Security Deposits payable                    | 2,741.83  | -           | -        | 2,741.83  |
| Other Financial Liabilities                  | 4,124.62  | -           | -        | 4,124.62  |

**Foreign Currency Risk**

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of raw material, capital goods and spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contract after taking into consideration the anticipated Foreign exchange inflows/ outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

The Company's exposure to foreign currency risk (un-hedged) as detailed below:

| Currency               | Trade Payables | Trade and other Receivables | Balance with Banks | Foreign Currency Loan |
|------------------------|----------------|-----------------------------|--------------------|-----------------------|
| <b>USD in Millions</b> |                |                             |                    |                       |
| As at 31-3-2018        | 2.18           | 0.63                        | 0.05               | 1.99                  |
| As at 31-3-2017        | 3.52           | -                           | -                  | 1.33                  |
| <b>LKR in Millions</b> |                |                             |                    |                       |
| As at 31-3-2018        | -              | -                           | -                  | -                     |
| As at 31-3-2017        | -              | 112.40                      | -                  | -                     |

**Risk sensitivity on foreign currency fluctuation**

₹ in Lakhs

| Foreign Currency | 31-3-2018    |             | 31-3-2017   |             |
|------------------|--------------|-------------|-------------|-------------|
|                  | 1 % Increase | 1% decrease | 1% increase | 1% decrease |
| USD              | 27.19        | (-)27.19    | (-)31.51    | 31.51       |
| LKR              | 3.93         | (-)3.93     | (-)5.01     | 5.01        |

**Cash flow and fair value interest rate risk**

Interest rate risk arises from long term borrowings with variable rates which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/ floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position. **Sensitivity on interest rate fluctuation**

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

Interest rate risk exposure ₹ in Lakhs

| Particulars              | 31-03-2018 | 31-03-2017 |
|--------------------------|------------|------------|
| Variable rate borrowings | 13,003.27  | 23,410.82  |
| Fixed rate borrowings    | 8,250.44   | 10,202.49  |

The Company does not have any interest rate swap contracts.

Sensitivity on interest rate fluctuation

| Total Interest Cost works out to | 31-03-2018 | 31-03-2017 |
|----------------------------------|------------|------------|
| 1% Increase in Interest Rate     | 2,317.83   | 3,380.62   |
| 1% Decrease in Interest Rate     | 1,921.56   | 3,326.58   |

**45. Capital Management**

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholders' wealth.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus Debt.

| Particulars                                | 31-03-2018       | 31-03-2017       |
|--|------------------|------------------|
| Long Term Borrowings                       | 5,570.44         | 6,452.49         |
| Current maturities of Long term borrowings | 2,679.99         | 3,750.00         |
| Short Term Borrowings                      | 13,003.27        | 23,410.82        |
| Less: Cash and Cash Equivalents            | 632.20           | 553.80           |
| <b>Net Debt (A)</b>                        | <b>20,621.50</b> | <b>33,059.51</b> |
| Equity Share Capital                       | 866.63           | 866.63           |
| Other Equity                               | 65,550.69        | 58,106.44        |
| <b>Total Equity (B)</b>                    | <b>66,417.32</b> | <b>58,973.07</b> |
| Total Capital Employed (C) = (A) + (B)     | 87,038.82        | 92,032.58        |
| <b>Capital Gearing Ratio (A) / (C)</b>     | <b>23.69%</b>    | <b>35.92%</b>    |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans/borrowings. The Company has been consistently focusing on reduction in long term borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2018 and 31-03-2017.

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**46. SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

₹ in Lakhs

As required under Ind AS 108, the Segmentwise Revenue, Results and Capital employed are furnished below:-

| Particulars                                 | Building Products       |                         | Textiles                |                         | Windmill                |                         | Others                  |                         | Consolidated            |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|   | Year Ended<br>31.3.2018 | Year Ended<br>31.3.2017 | Year Ended<br>31.3.2018 | Year Ended<br>31.3.2017 | Year Ended<br>31.3.2018 | Year Ended<br>31.3.2017 | Year Ended<br>31.3.2018 | Year Ended<br>31.3.2017 | Year Ended<br>31.3.2018 | Year Ended<br>31.3.2017 |
| <b>1. Revenue/Income from operations</b>    |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| External Customers                          | 69,000.06               | 64,994.22               | 11,853.55               | 11,461.56               | 1,852.54                | 1,728.14                | 1,482.64                | 1,874.20                | 84,188.79               | 80,058.12               |
| Inter-segment                               | -                       | -                       | -                       | -                       | (1,646.53)              | (1,527.92)              | -                       | -                       | (1,646.53)              | (1,527.92)              |
| Total Revenue                               | 69,000.06               | 64,994.22               | 11,853.55               | 11,461.56               | 206.01                  | 200.22                  | 1,482.64                | 1,874.20                | 82,542.26               | 78,530.20               |
| <b>2. Results:</b>                          |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Segment results                             |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Unallocated Corporate Expenses              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Operating Profit/ (Loss)                    | 4,528.98                | 1,322.55                | 799.16                  | 1,570.24                | 1,331.58                | 1,219.77                | 1,752.08                | 2,189.01                | 8,411.80                | 6,301.57                |
| Interest expenses                           |                         |                         |                         |                         |                         |                         |                         |                         | 2,163.19                | 3,353.60                |
| Interest Income/ Dividend income            |                         |                         |                         |                         |                         |                         |                         |                         | 3,061.95                | 3,798.63                |
| Income Tax - Current (MAT)                  |                         |                         |                         |                         |                         |                         |                         |                         | 2,337.76                | 1,342.21                |
| - Deferred                                  |                         |                         |                         |                         |                         |                         |                         |                         | 1,913.72                | 863.91                  |
| - MAT credit entitlement                    |                         |                         |                         |                         |                         |                         |                         |                         | (1,553.50)              | (880.52)                |
| Profit from Ordinary activities             |                         |                         |                         |                         |                         |                         |                         |                         | 6,612.58                | 5,421.00                |
| Exceptional items                           |                         |                         |                         |                         |                         |                         |                         |                         | 1,264.97                | 1,168.48                |
| Net Profit                                  |                         |                         |                         |                         |                         |                         |                         |                         | 7,877.55                | 6,589.48                |
| <b>3. Other Information</b>                 |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Segment Assets                              | 53,453.92               | 58,677.91               | 14,003.32               | 13,152.57               | 1,774.35                | 1,901.02                | 31,074.68               | 33,200.88               | 1,00,306.27             | 1,06,932.38             |
| Unallocated corporate assets                |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Total Assets                                | 53,453.92               | 58,677.91               | 14,003.32               | 13,152.57               | 1,774.35                | 1,901.02                | 31,074.68               | 33,200.88               | 1,00,306.27             | 1,06,932.38             |
| Segment Liabilities                         | 45,419.98               | 56,018.69               | 13,528.83               | 12,017.87               | 475.75                  | 742.63                  | (18,496.00)             | (16,553.66)             | 40,928.56               | 52,225.53               |
| Unallocated corporate liabilities           |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Total Liabilities                           | 45,419.98               | 56,018.69               | 13,528.83               | 12,017.87               | 475.75                  | 742.63                  | (18,496.00)             | (16,553.66)             | 40,928.56               | 52,225.53               |
| Capital Expenditure                         | 2,016.79                | 3,159.98                | 469.47                  | 440.37                  | -                       | -                       | 181.37                  | 582.11                  | 2,667.63                | 4,182.46                |
| Depreciation                                | 1,809.08                | 1,645.48                | 383.61                  | 383.35                  | 114.23                  | 114.30                  | 2.87                    | 4.98                    | 2,309.79                | 2,148.11                |
| Non - cash expenses other than depreciation | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       |

**NOTES ACCOMPANYING STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**47** There are no dues to Micro and Small Enterprises as at 31.03.2018 (Previous Year : ₹ Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties having been identified on the basis of information available with the company

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As per our Report Annexed

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 015041S  
G. CHELLA KRISHNA  
Partner  
Membership No. 210474  
Place : Chennai  
Date : 24<sup>th</sup> May, 2018

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 005333S  
M.VIJAYAN  
Partner  
Membership No. 026972

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Sr.G.M.(Legal)

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### INDEPENDENT AUDITORS' REPORT

#### To the Members of Ramco Industries Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements drawn in accordance with the Indian Accounting Standards ("the Consolidated Financial Statements") of Ramco Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), and the share of profit/loss of its associates. These Consolidated Financial Statements comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2018 and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013, ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flow and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India and including the Indian Accounting Standards specified under Section 133 of the Act, read with applicable Rules there under. The respective Board of Directors of the Companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the consolidated state of affairs (financial position) of the Group including the effect of share in the profit of its associates as at 31<sup>st</sup> March 2018, and their consolidated profit (financial performance including other comprehensive income) including the share in the profit of its associates, their consolidated cash flows and consolidated statement of changes in equity for the year ended on 31<sup>st</sup> March 2018.

#### Other Matters

We did not audit the consolidated financial statements of Two foreign subsidiaries included in the consolidated financial results year to date, whose financial statements reflect total assets of ₹ 13125.09 lakhs as at 31<sup>st</sup> March 2018, total revenue of ₹ 15279.38 lakhs and net cash inflow of ₹ -1156.34 lakhs for the year ended on 31<sup>st</sup> March 2018. These financial statements and other financial information have been audited by another independent auditor in accordance with the regulations of that country, whose report has been furnished to us, and our opinion on the financial results year to date, to the extent they have been derived from such audited financial statements is based solely on the report of such other auditors.

The audited financial statements as per Ind AS of One subsidiary company, included in the consolidated financial results year to date reflect total assets of ₹ 1287.60 lakhs as at 31<sup>st</sup> March 2018, the total revenue of ₹ Nil lakhs and net cash flow of ₹ -0.54 lakhs for the year ended 31<sup>st</sup> March 2018, which was audited by one of us.

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

The audited financial statements as per Ind AS of Three associate companies included in the consolidated financial results year to date, whose consolidated financial statements reflect the total comprehensive income of ₹ 9714.27 lakhs for the year ended 31<sup>st</sup> March 2018 audited by us and some other independent auditors. These audited financial statements as per Ind AS and other financial information.

We did not audit the financial statements of Three associate companies included in the consolidated financial results year to date, whose consolidated financial statements reflect the total comprehensive income of ₹ -52.57 lakhs for the year ended 31<sup>st</sup> March 2018. These financial statements as per Ind AS and other financial information are un-audited and have been furnished to us by the management, and our opinion is based solely on the financial results year to date, to the extent they have been derived from such un-audited financial statements.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is based on the financial statements/financial information certified by the Management.

The comparative consolidated financial information of the Company for the year ended March 31, 2017 are based on the previously issued consolidated financial statements jointly audited by M.S. Jagannathan & N. Krishnaswami, Chartered Accountants and CNGSN & Associates LLP, Chartered Accountants, the predecessor auditors, whose report for the year ended March 31, 2017 dated 30<sup>th</sup> May, 2017 expressed an unmodified opinion on those consolidated financial statements.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
2. In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
3. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards Ind AS specified under Section 133 of the Act.
5. On the basis of the written representations received from the Directors of the Holding Company as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditor of the subsidiary company and associate companies, and Management Certification in the case of the unaudited associate companies, none of the Directors of the Group and its associate companies is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.
6. We have enclosed our separate report in "Annexure A" with respect to the adequacy of the internal financial controls over financial reporting of the entities in the Group and associate companies and the operating effectiveness of such controls. We have relied on the management certification in respect of the unaudited associates with respect to the adequacy of internal financial controls over financial reporting. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of entities in the Group and the associate companies.
7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The details of the pending litigations and its impact on the Financial Statements have been disclosed in the Separate Financial Statements of the respective entities in the Group and by the associates.
  - ii. The Group and associate companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the entities in the Group and its associates.

In reaching conclusions commented upon in items (i) to (iii) above, we have relied on a) our audit of the Holding Company, b) the audit of the subsidiary company by some other Independent Auditor and c) Management Certification in the case of associates which are unaudited.

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No. 210474  
Place: Chennai  
Date : 24<sup>th</sup> May, 2018

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 0053335  
M. VIJAYAN  
Partner  
Membership No. 026972

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### “ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS

#### Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Ramco Industries Limited, its subsidiary and its associates (“the Group”) as of 31<sup>st</sup> March 2018 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company for the year ended on 31<sup>st</sup> March 2018.

#### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary and its associate companies, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors’ Responsibility

Our responsibility is to express an opinion on Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group’s internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that;

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the Financial Statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary and associates company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### Other Matters

We have relied on a) our audit of the Holding Company, b) the audit of the subsidiary company by some other Independent Auditor and c) Management Certification in the case of associates which are unaudited.

The adequacy of internal financial control over financial reporting in so far as it relates to such subsidiary which has been audited by other auditors we relied on the audit reports furnished to us. In respect of unaudited associates, we had relied upon management certification. Our report on the adequacy and operating effectiveness of the internal financial control over financial reporting for the Holding Company and its subsidiary and associates, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary and associates is based solely on the report of the auditor of such companies or management certification as referred above. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 015041S

G. CHELLA KRISHNA  
Partner  
Membership No. 210474

Place: Chennai  
Date : 24<sup>th</sup> May, 2018

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 005333S

M.VIJAYAN  
Partner  
Membership No. 026972

**CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2018**

|   | Note No. | As at.<br>31.03.2018<br>₹ In Lakhs | As at<br>31.03.2017<br>₹ In Lakhs |
|---|----------|------------------------------------|-----------------------------------|
| <b>I ASSETS</b>   |          |                                    |                                   |
| <b>NON-CURRENT ASSETS</b>                                 |          |                                    |                                   |
| Property, Plant and Equipments                            | 6        | 41,759.65                          | 41,831.67                         |
| Capital Work-in-progress                                  | 6        | 990.48                             | 1,101.88                          |
| Intangible Assets   | 6        | 602.16                             | 546.16                            |
| Investment Property                                       | 7        | 69.77                              | 43.94                             |
| Investment in Subsidiary & Associates                     | 8 (A)    | 2,33,149.43                        | 2,24,185.04                       |
| Financial Assets  |          |                                    |                                   |
| Other Investment  | 8 (B)    | 3,416.44                           | 2,807.83                          |
| Other Financial Assets                                    | 9        | 555.59                             | 652.31                            |
| Other Non-Current Assets                                  | 10       | 251.00                             | 191.82                            |
|   |          | <u>2,80,794.52</u>                 | <u>2,71,360.65</u>                |
| <b>CURRENT ASSETS</b>                                     |          |                                    |                                   |
| Inventories   | 11       | 28,450.91                          | 34,185.71                         |
| Financial Assets  |          |                                    |                                   |
| Trade Receivables   | 12       | 8,950.98                           | 7,166.24                          |
| Cash and Cash Equivalents                                 | 13       | 4,366.47                           | 5,516.65                          |
| Other Financial Assets                                    | 14       | 224.71                             | 522.73                            |
| Current Tax Asset   |          | 7,080.22                           | 4,359.48                          |
| Other Current Assets                                      | 15       | 1,666.25                           | 3,233.80                          |
|   |          | <u>50,739.54</u>                   | <u>54,984.61</u>                  |
| <b>TOTAL ASSETS</b>                                       |          | <u>3,31,534.06</u>                 | <u>3,26,345.26</u>                |
| <b>II EQUITY AND LIABILITIES</b>                          |          |                                    |                                   |
| <b>SHARE HOLDERS' FUND</b>                                |          |                                    |                                   |
| Equity Share Capital                                      | 16       | 866.63                             | 866.63                            |
| Other Equity  | 16 (A)   | 2,87,682.36                        | 2,70,734.40                       |
| Total Equity  |          | <u>2,88,548.99</u>                 | <u>2,71,601.03</u>                |
| <b>NON-CURRENT LIABILITIES</b>                            |          |                                    |                                   |
| Financial Liabilities                                     |          |                                    |                                   |
| Borrowings  | 17       | 5,570.44                           | 6,452.49                          |
| Deferred Tax Liabilities (Net)                            | 18       | 3,364.10                           | 1,411.44                          |
| Deferred Government Grants                                | 19       | 150.83                             | 162.53                            |
|   |          | <u>9,085.37</u>                    | <u>8,026.46</u>                   |
| <b>CURRENT LIABILITIES</b>                                |          |                                    |                                   |
| Financial Liabilities                                     |          |                                    |                                   |
| Borrowings  | 20       | 13,003.27                          | 23,410.82                         |
| Trade Payables  | 21       | 4,932.69                           | 6,200.20                          |
| Other Financial Liabilities                               | 22       | 8,524.52                           | 11,134.93                         |
| Deferred Government Grants                                |          | 11.70                              | 11.70                             |
| Other Current Liabilities                                 | 23       | 2,415.93                           | 2,856.55                          |
| Provisions  | 24       | 5,011.59                           | 3,103.57                          |
|   |          | <u>33,899.70</u>                   | <u>46,717.77</u>                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                       |          | <u>3,31,534.06</u>                 | <u>3,26,345.26</u>                |
| Significant Accounting Policies, Judgements and Estimates | 1-5      |                                    |                                   |
| See accompanying notes to the financial statements        | 36-47    |                                    |                                   |

The accompanying notes form an integral part of the financial statements  
As per our Report Annexed

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 015041S  
G. CHELLA KRISHNA  
Partner  
Membership No. 210474  
Place: Chennai  
Date : 24<sup>th</sup> May, 2018

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 005333S  
M. VIJAYAN  
Partner  
Membership No. 026972

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Sr.G.M.(Legal)

**CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

|   | Note No. | 2017-18<br>₹ in lakhs | 2016-17<br>₹ in lakhs |
|---|----------|-----------------------|-----------------------|
| <b>INCOME</b>   |          |                       |                       |
| Revenue from Operations   | 25       | 95,882.91             | 95,399.59             |
| Other Income  | 26       | 2,252.68              | 397.32                |
| Other Finance Income  | 27       | 866.31                | 670.45                |
| <b>Total Revenue</b>  |          | <b>99,001.90</b>      | <b>96,467.36</b>      |
| <b>EXPENSES</b>   |          |                       |                       |
| Cost of Materials Consumed  | 28       | 48,880.69             | 48,463.48             |
| Cost of Resale materials  |          | 76.56                 | 131.08                |
| Changes in Inventories of Finished Goods<br>and Work-in-progress                        | 29       | 1,286.87              | 156.52                |
| Excise Duty on Sale of Goods  |          | 2,677.88              | 7,324.44              |
| Employee Benefit Expenses   | 30       | 8,061.48              | 7,679.82              |
| Finance Costs   | 31       | 2,165.54              | 3,371.94              |
| Depreciation and Amortization Expenses  | 6        | 2,790.20              | 2,633.11              |
| Other Expenses  | 32, 34   | 23,129.55             | 19,930.26             |
| <b>Total Expenses</b>   |          | <b>89,068.77</b>      | <b>89,690.65</b>      |
| Profit/ (Loss) Before Exceptional items and Tax<br>Exceptional items                    | 33       | 9,933.13<br>1,264.97  | 6,776.71<br>1,168.48  |
| <b>Profit / (Loss) Before Tax</b>   |          | <b>11,198.10</b>      | <b>7,945.19</b>       |
| Income Tax Expenses   |          |                       |                       |
| Current Tax   | 35       | 2,914.20              | 2,319.56              |
| Deferred Tax  | 35       | 1,958.82              | 974.91                |
| Mat Credit  | 35       | (1553.50)             | (880.52)              |
| <b>Total Tax Expenses</b>   |          | <b>3,319.52</b>       | <b>2,413.95</b>       |
| Profit / (Loss) for the year  |          | 7,878.58              | 5,531.24              |
| Share of Profit/(Loss) of Associates  |          | 9,723.70              | 14,944.72             |
| <b>Total Profit for the Year</b>  | A        | <b>17,602.28</b>      | <b>20,475.96</b>      |
| <b>Other Comprehensive Income</b>   |          |                       |                       |
| Item that will not be reclassified to profit / (loss) in subsequent periods             |          |                       |                       |
| Actuarial Gain / (Loss) on defined benefit obligation (net)                             |          | 67.99                 | (131.20)              |
| Fair value gain/(loss) on Equity Instruments through OCI                                |          | 604.41                | 733.38                |
| Total Comprehensive Income for the year before share of<br>OCI of Associates net of tax |          | 672.40                | 602.18                |
| Share of OCI of Associates  |          | (62.00)               | (41.12)               |
| <b>Total Comprehensive Income for the year net of tax</b>                               | B        | <b>610.40</b>         | <b>561.06</b>         |
| <b>Total Comprehensive Income for the year</b>  | A + B    | <b>18,212.68</b>      | <b>21,037.02</b>      |
| Earnings per equity share of face value of ₹1 each<br>Basic & Diluted (in ₹)            |          | 21.07<br>₹ 1          | 24.51<br>₹ 1          |
| Significant Accounting Policies, Judgements & Estimates                                 | 1-5      |                       |                       |
| See accompanying notes to the financial statements.                                     | 36-47    |                       |                       |

The accompanying notes form an integral part of the financial statements  
As per our Report Annexed

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No. 210474  
Place: Chennai  
Date : 24<sup>th</sup> May, 2018

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 005333S  
M.VIJAYAN  
Partner  
Membership No. 026972

For and on behalf of the Board  
P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Sr.G.M.(Legal)

**CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

|   | 2017-18<br>₹ in lakhs | 2016-17<br>₹ in lakhs |
|---|-----------------------|-----------------------|
| <b>A Cash flow from operating activities</b>                          |                       |                       |
| Net profit before Tax   | 11,198.10             | 7,945.19              |
| Loss on sale of assets  | -                     | 5.92                  |
| Depreciation  | 2,790.20              | 2,633.12              |
| Fair value loss/(gain) on investments                                 | (4.20)                | (3.76)                |
| Cash flow arising out of Actuarial loss on defined benefit obligation | 67.99                 | (131.20)              |
| Dividend Income   | (1,612.84)            | (38.68)               |
| Profit on sale of assets  | (1,425.22)            | (89.16)               |
| Profit on Sale of Shares  | -                     | (1,090.82)            |
| Interest income   | (866.31)              | (712.62)              |
| Effects on Exchange rate  | (36.13)               | (735.30)              |
| Interest paid   | 2,182.65              | 3,588.21              |
|   | <u>1,096.14</u>       | <u>3,425.71</u>       |
| Operating profit before working capital changes                       | 12,294.24             | 11,370.90             |
| Adjusted for  |                       |                       |
| Trade & Other Payables  | (1,267.51)            | (1,014.50)            |
| Other Current Assets  | (2,899.89)            | (3,604.30)            |
| Other Current Liabilities   | (1,143.01)            | 1,185.43              |
| Trade & Other Receivables   | (1,784.74)            | 51.30                 |
| Increase / (Decrease ) in Inventories                                 | 5,734.80              | (4,826.47)            |
|   | <u>(1,360.35)</u>     | <u>(8,208.54)</u>     |
| <b>Cash (used in) / generated from operations</b>                     | <b>10,933.89</b>      | <b>3,162.36</b>       |
| Taxes paid  | 674.46                | 1513.58               |
| <b>Net cash (used in) / generated from operating activities</b>       | <b>11,608.35</b>      | <b>4675.94</b>        |
| <b>B Cash flow from Investing activities</b>                          |                       |                       |
| Purchase of fixed assets  | (3,341.34)            | (4,308.46)            |
| Sale of fixed assets  | 1,917.17              | 117.93                |
| Adjustment in Fixed Assets  | 75.96                 | (4.87)                |
| Proceeds from Sale of Shares  | 3.40                  | 1,265.47              |
| Interest income   | 866.31                | 712.62                |
| Dividend income   | 1,612.84              | 38.68                 |
| Changes in CWIP   | 111.40                | 1,132.73              |
| Advances for long term purpose  | 11.71                 | 189.82                |
| Purchase of Investment  | (0.75)                | -                     |
| <b>Net cash (used in) / from Investing activities</b>                 | <u>1,256.70</u>       | <u>(856.08)</u>       |

**CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018 Contd...**

|   | 2017-18<br>₹ in lakhs   | 2016-17<br>₹ in lakhs   |
|---|-------------------------|-------------------------|
| <b>C Cash flow from financing activities</b>  |                         |                         |
| Proceeds from long term borrowings  | (882.05)                | (7,113.42)              |
| Proceeds from other Long term Liabilities   | (11.70)                 | (11.70)                 |
| Proceeds from short term borrowings   | (10,407.55)             | 5,959.35                |
| Dividend paid   | (531.28)                | -                       |
| Finance cost  | (2,182.65)              | (3,588.21)              |
| Net cash from / (used in) Financing activities  | <u>(14,015.23)</u>      | (4,753.98)              |
| Net increase / (decrease) in cash and cash equivalents ( A+B+C)   | (1,150.18)              | (934.12)                |
| Cash and cash equivalents as at the beginning of the year   | 5,516.65                | 6,450.77                |
| <b>Cash and Cash equivalents as at the end of the year</b>  | <u><u>4,366.47</u></u>  | <u><u>5,516.65</u></u>  |
| <b>(iii) Reconciliation of changes in liabilities arising from Financing Activities pertaining to Borrowings:</b> |                         |                         |
| Balance at the beginning of the year  |                         |                         |
| Long Term Borrowings  | 6,452.49                | 13,565.91               |
| Short Term Borrowings (excluding cash credit)   | 23,410.82               | 17,451.47               |
| Current maturities of Long Term Debt  | 3,750.00                | 4,910.12                |
| Interest accrued  | 156.75                  | 157.35                  |
| Sub-total Balance at the beginning of the year  | <u>33,770.06</u>        | <u>36,084.85</u>        |
| Cash flows during the year  |                         |                         |
| Proceeds from Long Term Borrowings  | 5,000.00                | 1,679.37                |
| Repayment of Long Term Borrowings   | (6,952.06)              | (9,952.91)              |
| Proceeds from / (Repayment of) Short Term Borrowings (net)  | (10,407.55)             | 5,959.35                |
| Interest paid   | (2,234.10)              | (3,588.81)              |
| Sub-total Cash flows during the year  | <u>(14,593.71)</u>      | <u>(5,903.00)</u>       |
| Non-cash changes  |                         |                         |
| Interest accrual for the year   | 2,182.65                | 3,588.21                |
| Balance as the end of the year  |                         |                         |
| Long Term Borrowings  | 5,570.44                | 6,452.49                |
| Short Term Borrowings   | 13,003.27               | 23,410.82               |
| Current maturities of Long Term Debt  | 2,679.99                | 3,750.00                |
| Interest accrued but not due  | 105.30                  | 156.75                  |
| Balance as the end of the year  | <u><u>21,359.00</u></u> | <u><u>33,770.06</u></u> |

As per our Report Annexed

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No. 210474  
Place: Chennai  
Date : 24<sup>th</sup> May, 2018

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 005333S  
M.VIJAYAN  
Partner  
Membership No. 026972

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Sr.G.M.(Legal)

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

#### 1. Corporate Information

Ramco Industries Limited is a Public Limited Company domiciled and headquartered in India and incorporated under the provisions of Companies Act 1956. The Registered office of the Company is located at “Ramamandiram” P.S.K Nagar, Rajapalayam - 626 108, Tamilnadu and Corporate office of the company is located at “Auras corporate centre”, VI Floor, 98A - Dr. Radha Krishnan Road, Mylapore, Chennai - 600 004, Tamil Nadu. The Company’s shares are listed in BSE Limited and NSE Limited.

The Company is engaged in manufacture of Fiber Cement (FC) sheets and Calcium Silicate Boards (CSBs). The Company’s segments are Building products, Textiles and Power generation from wind mills. The Company caters mainly to the domestic markets. The Company is also engaged in sale of surplus electricity generated from its windmills after meeting its captive requirements.

The Consolidated financial statements of the Company for the year were approved and adopted by Board of Directors of the Company in their meeting dated 24-05-2018.

#### 2. Basis of Preparation of Consolidated Financial Statements (CFS)

- 2.1 The CFS for the period up to 31-03-2016 were prepared in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Pursuant to the mandatory requirement for adoption of Ind AS as notified by MCA, the Company has prepared its financial statements for the year ended 31-03-2017 and thereafter in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time.
- 2.2 Pursuant to General Circular No.39/2014 dated 14.10.2014 issued by the Ministry of Corporate Affairs that the disclosures made already under the standalone financial statements are not merely repeated and thus the disclosures that are relevant arising out of consolidation have only been presented
- 2.3 The CFS comprises the financial statements of the Ramco Industries Limited, its Subsidiary Company and Associate Companies, The list of Companies which are included in consolidation and the parent Company’s holding and voting rights therein are as under:

| Name of the Subsidiary   | % of ownership interest |            |
|--|-------------------------|------------|
|  | 31.03.2018              | 31.03.2017 |
| Sudharsanam Investments Ltd  | 100.00                  | 100.00     |
| Sri Ramco Lanka Pvt Ltd  | 99.99                   | 99.99      |
| Sri Ramco Roofings Lanka (Private) Ltd *                               | 1.27                    | 1.27       |
| *Step down subsidiary  |                         |            |
| Sri Ramco Lanka Private Limited holding in Sri Ramco Roofing (pvt) ltd | 98.73                   | 98.73      |

The following Companies are recognised as Associates based on existence of significant influence over such Companies:

| Name of the Associates             | Country of Incorporation | % of Ownership interest |            |
|------------------------------------|--------------------------|-------------------------|------------|
|                                    |                          | 31.03.2018              | 31.03.2017 |
| The Ramco Cements Limited          | India                    | 22.44                   | 20.71      |
| Ramco Systems Limited              | India                    | 17.98                   | 17.98      |
| Rajapalayam Mills Limited          | India                    | 1.80                    | 1.80       |
| Ramco Windfarms Limited            | India                    | -                       | 2.65       |
| Ontime Industrial Services Limited | India                    | 17.77                   | 17.77      |
| Madurai Trans Carrier Limited      | India                    | 17.17                   | 17.17      |
| Lynks Logistics Limited            | India                    | 0.46                    | 2.71       |

The above companies are incorporated in India and Financial statements of the respective companies are drawn up to the same reporting date as that of the parent company

- 2.4 The significant accounting policies used in preparing the financial statements are set out in Note No.4
- 2.5 The Company has considered its operating cycle to be 12 months for the purpose of Current or Non-current classification of assets and liabilities.

**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

- 2.6 An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.
- 2.7 A liability is classified as current when it is expected to be settled in normal operating cycle or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.
- 2.8 The financial statements are presented in Indian Rupees rounded to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as ₹0.00 Lakhs.

**Principles of Consolidation**

- 2.9 The CFS of the parent Company and its subsidiary Company have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after elimination of intra-group balances and intra-group transactions resulting in unrealised Profits / Losses
- 2.10 The CFS has been prepared using uniform accounting policies for like transactions and other events in similar circumstances and is presented, to the extent possible, in the same manner as the parent Company's standalone financial statements.
- 2.11 Non-controlling interest in the net assets of consolidated subsidiary is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the parent Company's shareholders. Non-controlling interest in the net assets of consolidated subsidiary consists of:
- A. The amount of subscribed equity share capital attributable to minority shareholders during the year
- B. The minority share of movement in equity since the date the parent subsidiary relationship came in to existence
- 2.12 The CFS includes the share of profit / loss of the associate companies that are accounted for using equity method in accordance with Ind AS 28. Accordingly, the share of profit / loss of the associate company (the loss being restricted to the cost of investment) has been added / deducted from the cost of investment. The most recent available financial statements of the associate are used by the company in applying the equity method.
- 2.13 Under equity method of accounting, the investments are initially recognized at the fair value of net asset of Associate Company from the date on which it becomes an associate and any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:
- A. Goodwill relating to an associate is included in the carrying amount of the investment and the same is not amortised.
- B. Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.
- Subsequently, the carrying amount of investment is adjusted to recognize the Company's share of post-acquisition profits or losses of the Associates in the profit & loss and also its share of Other Comprehensive Income (OCI) of the Associate Company separately under Other Comprehensive Income.
- 2.14 Dividend received or receivable from Associates are recognized as a reduction in the carrying amount of the Investment
- 2.15 Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
- 2.16 At each reporting date, the Company determines whether there is any objective evidence that the investment in the associate is impaired, If there is such evidence, the company provides for impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognized the loss as "Share of profit of an associate" in the statement of profit or loss.
- 2.17 The statement of profit and loss reflects the company's share of results of operations of its associates. Any change in OCI of those investees is presented as part of the Group's OCI.

**3. Basis of Measurement**

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 4.18 - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.

**4. Significant Accounting Policies**

**4.1 Inventories**

- 4.1.1 Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

providing for obsolescence and other losses or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.

4.1.2 Process stock is valued at moving weighted average cost including the cost of conversion with systematic allocation of production overheads, or net realisable value whichever is lower. Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process stock.

4.1.3 Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

**4.2 Cash Flow Statement**

4.2.1 Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

4.2.2 Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash.

4.2.3 Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

**4.3 Dividend distribution to Equity shareholders**

Final dividend distribution to shareholders is recognised in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend together with applicable taxes is recognised directly in Equity.

**4.4 Income Taxes**

4.4.1 Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income tax Act, 1961 and other applicable tax laws.

4.4.2 Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

4.4.3 Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.

4.4.4 Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.

4.4.5 Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

4.4.6 Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.

4.4.7 Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

**4.5 Property, plant and equipments (PPE)**

4.5.1 PPEs are stated at cost of acquisition or construction (net of CENVAT / VAT / GST wherever applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.



NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

The company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. When each major inspection/overhauling is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria in accordance with Ind AS 16 are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the respective heads of accounts in the year in which it is incurred.

- 4.5.2 PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.
- 4.5.3 PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the Statement of Profit and Loss. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- 4.5.4 Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value, except for process control systems whose residual value is considered as Nil.
- 4.5.5 Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.
- 4.5.6 The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

**Capital Work in progress**

- 4.5.7 Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date

**4.6 Leases**

- 4.6.1 The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.
- 4.6.2 The lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the Lessor are recognised as operating lease. Operating lease receipts and payments are recognised in the Statement of Profit and Loss on accrual basis as per the lease terms. The Company do not have any finance leases.
- 4.6.3 The amount paid for securing right to use of lands qualify as Operating lease and the amount paid for leasehold land is classified as "Lease prepayments" under prepaid expenses, which are amortised over the tenure of lease.

**4.7 Revenue Recognition**

- 4.7.1 Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- 4.7.2 Revenue from Operations

**Sale of products**

Revenue is recognised at the fair value of consideration received or receivable upon transfer of significant risks and rewards of ownership of goods which coincides with the delivery of goods. It comprises of invoice value of goods including excise duty upto 30.6.2017 and after deducting discounts, volume rebates and applicable taxes on sale including GST.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

**Power generated from Windmills**

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO/BESCOM/PGVCL are consumed at factories and unutilized units are sold to concerned distribution companies. The monetary values of such power generated that are captivity consumed are not recognised as revenue for the company.

Power generated from windmills that are covered under power purchase agreement with TANGEDCO /BESCOM/PGVCL are sold to State Electricity Boards at the rate fixed by respective State Electricity Regulatory Commissions and the income is recognised as Sale of surplus power generated from windmills

**Scrap sale**

Scrap sale is recognised at the fair value of consideration received or receivable upon transfer of significant risk and rewards. It comprises of invoice value of goods including excise duty (up to 30.06.2017), excluding applicable taxes on sale.

**Industrial Promotion Assistance**

This being in the nature of Government grants, which are recognised at fair value when the Company's right to receive the same is established with reasonable assurance.

**4.7.3 Other Income**

- a. Dividend income is recognised when the Company's right to receive dividend is established.
- b. Rental income from operating lease on investment properties is recognised on a straight line basis over the term of the relevant lease
- c. Value of Carbon credits are recognised when the Company's right to receive the same is established.

**4.8 Employee Benefits**

- 4.8.1 Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- 4.8.2 Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.
- 4.8.3 The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary. The Company has no further obligations.
- 4.8.4 The Company also contributes for superannuation a sum equivalent to 15% of the eligible officer's annual basic salary. Out of the said 15% contribution, a sum upto ₹1.50 Lacs per annum is remitted to Ramco Industries Limited Officer's Superannuation Fund administered by trustees and managed by LIC of India. There are no further obligations in respect of the above contribution plan.
- 4.8.5 The Company has its own Defined Benefit Plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Ramco Industries Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, including for its employees in subsidiary Company, based on the Actuarial Valuation by an independent external actuary as at the Balance Sheet date using Projected Unit Credit method.
- 4.8.6 The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method.
- 4.8.7 Remeasurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

**4.9 Government Grants**

- 4.9.1 In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets".
- 4.9.2 Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

**4.10 Foreign currency transactions**

- 4.10.1 The financial statements are presented in Indian Rupees, which is also the Company's functional currency.
- 4.10.2 All transactions in foreign currency are recorded on initial recognition at their functional currency exchange rates prevailing on that date.
- 4.10.3 Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.
- 4.10.4 Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction.
- 4.10.5 In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the moving average rate during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Exchange Fluctuation Reserve.

**4.11 Borrowing Costs**

- 4.11.1 Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- 4.11.2 Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the general borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing cost eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings. The amount of borrowing cost that the Company capitalises does not exceed the amount of borrowing cost incurred during that period. All other borrowings cost are expensed in the period in which they occur.

**4.12 Earnings per Share**

- 4.12.1 Net profit after tax is divided by the weighted average number of equity shares including un-allotted bonus shares outstanding if any, during the year, after deducting treasury shares which represents holding of its own shares indirectly through associates by way of reciprocal interests.
- 4.12.2 Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per share.
- 4.12.3 The Company do not have any potential equity shares.

**4.13 Impairment of Non-financial Assets**

- 4.13.1 The carrying values of assets include property, plant and equipment, investment properties, cash generating units and intangible assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.
- 4.13.2 Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- 4.13.3 An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- 4.13.4 An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

**4.14 Provisions, Contingent Liabilities and Contingent Assets**

- 4.14.1 Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

- 4.14.2 Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- 4.14.3 Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are not recognised.
- 4.14.4 Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.
- 4.15 Intangible Assets**
- 4.15.1 The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.
- 4.15.2 The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, and are recognised as Intangible assets under development.
- 4.15.3 The residual values, useful lives and methods of depreciation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.
- 4.16 Investment Properties**
- 4.16.1 An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.
- 4.16.2 Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land which is carried at cost.
- 4.16.3 The company identifies the significant parts of investment properties separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. Other expenses including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- 4.16.4 Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the Statement of Profit and Loss. Amount received towards investment properties that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- 4.16.5 The residual values, useful lives and methods of depreciation of investment properties are reviewed at each reporting date and adjusted prospectively, if appropriate.
- 4.17 Operating Segments**
- Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.
- The Company has three operating/reportable segments viz. Building products, Textile and Wind power generation.
- The inter-segment transfers of units of power from windmills are recognized at the applicable tariff rates of the electricity boards for the purpose of segment reporting as per the relevant accounting standard.
- Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general other income and expenses which are not allocated to any business segment.
- 4.18 Financial Instruments**
- 4.18.1 A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

- 4.18.2 Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.
- 4.18.3 The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

**Financial Assets**

- 4.18.4 Financial assets comprises of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.
- 4.18.5 Depending on the business model (i.e.) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
- Amortised cost; or
  - Fair value through other comprehensive income (FVTOCI); or
  - Fair value through profit or loss (FVTPL)
- Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.
- 4.18.6 The Company has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

| Classification | Business Model  |
|----------------|---|
| Amortised cost | The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes. |
| FVTOCI         | The objective of the Company is to collect its contractual cash flows and selling financial assets.   |

Investment in equity of subsidiary and associates are carried at cost (i.e) previous GAAP carrying amount as the date of transition to Ind AS. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

| Classification | Name of Financial Assets  |
|----------------|---|
| Amortised cost | Trade receivables, Loans and advances to subsidiary company, employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind. |
| FVTOCI         | Equity investments in companies other than Subsidiary & Associate as an option exercised at the time of initial recognition.  |
| FVTPL          | Investments in mutual funds, forward exchange contracts.  |

- 4.18.7 Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:
- significant risk and rewards of the financial asset, or
  - control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset. The Company has applied the de-recognition requirements prospectively.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

- 4.18.8 Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.
- 4.18.9 For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

| Name of Financial asset | Impairment testing methodology   |
|-------------------------|--|
| Trade receivables       | Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.  |
| Other Financial assets  | When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. |

**Financial Liabilities**

- 4.18.10 Financial liabilities comprises of Borrowings from Banks, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.
- 4.18.11 The Company measures its financial liabilities as below:

| Measurement basis | Name of Financial liabilities  |
|-------------------|--|
| Amortised cost    | Borrowings, Debentures, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading,         |
| FVTPL             | Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading. |

- 4.18.12 Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Transaction cost of financial guarantee contracts that are directly attributable to the issuance of the guarantee are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.
- 4.18.13 Financial liabilities are derecognised when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.
- 4.18.14 Upon derecognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Statement of Profit and Loss.

**4.19 Fair value measurement**

- 4.19.1 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- 4.19.2 The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

- 4.19.3 All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:
- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities
  - Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable.
  - Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.
- 4.19.4 For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.
- 4.19.5 For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.
- 4.19.6 The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

***Investments in Equity / Mutual Funds***

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

***Trade and other receivables***

The fair value is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets.

***Forward exchange contracts***

The fair value of forward exchange contracts is based on the quoted price if available, otherwise it is estimated by discounting the difference between contractual forward price and current forward price for the residual maturity of the contract using government bond rates.

***Non-derivative financial liabilities***

The fair value of non-derivative financial liabilities viz, soft loan from government, deferred sales tax liability, borrowings are determined for disclosure purposes calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

***Financial guarantee obligation***

The fair value of financial guarantee obligation with reference to loan availed by subsidiary/associates is determined on the basis of estimated cost involved in securing equivalent size of the guarantees from bank.

***Investment Properties***

The fair value is determined for disclosure purposes based on an annual evaluation performed by an internal technical team measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.

**5. Significant Estimates and Judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

**Property, Plant and Equipment, Intangible Assets and Investment Properties**

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

**Current Taxes**

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

**Deferred Tax Asset (Including MAT Credit Entitlement)**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Contingent Liabilities**

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

***Impairment of Trade receivables***

The impairment for financial assets are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

***Impairment of Non-financial assets (PPE/Intangible Assets/Investment Properties)***

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

***Defined Benefit Plans and Other long term benefits***

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

***Fair value measurement of financial instruments***

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

***Interests in other entities***

The management believes that wherever there is significant influence over certain companies belong to its group, such companies are treated as Associate companies even though it holds less than 20% of the voting rights. Significant management judgement is exercised in determining the interests in other entities to determine whether such associates are individually immaterial or not for the purpose of disclosure requirements



CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

6 PROPERTY PLANT & EQUIPMENT

₹ in lakhs

| Particulars                      | YEAR    | GROSS BLOCK       |           |                          |                   | DEPRECIATION AND AMORTISATION |                      |                          |                   | NET BLOCK         |                   |
|----------------------------------|---------|-------------------|-----------|--------------------------|-------------------|-------------------------------|----------------------|--------------------------|-------------------|-------------------|-------------------|
|                                  |         | As At 01-APR-2017 | Additions | Withdrawals/ Adjustments | As At 31-MAR-2018 | As At 01-APR-2017             | For the year 2017-18 | Withdrawals/ Adjustments | As At 31-MAR-2018 | As At 31-MAR-2018 | As At 31-MAR-2017 |
| <b>Tangible Assets</b>           |         |                   |           |                          |                   |                               |                      |                          |                   |                   |                   |
| Land - Free Hold                 | 2017-18 | 1,679.00          | -         | 6.39                     | 1,672.61          | -                             | -                    | -                        | 1,672.61          | 1,679.00          | 1,679.00          |
|                                  | 2016-17 | 1,679.00          | -         | -                        | 1,679.00          | -                             | -                    | -                        | 1,679.00          | 1,679.00          | 1,679.00          |
| Land - Lease Hold                | 2017-18 | 1,405.80          | -         | -                        | 1,405.80          | 79.82                         | 15.72                | -                        | 95.54             | 1,310.26          | 1,325.98          |
|                                  | 2016-17 | 1,405.80          | -         | -                        | 1,405.80          | 64.15                         | 15.73                | 0.06                     | 79.82             | 1,325.98          | 1,341.65          |
| Buildings                        | 2017-18 | 18,141.04         | 393.82    | 675.01                   | 17,859.85         | 5,553.95                      | 499.71               | 354.98                   | 5,698.68          | 12,161.17         | 12,587.09         |
|                                  | 2016-17 | 17,873.12         | 267.92    | -                        | 18,141.04         | 5,043.13                      | 515.94               | 5.12                     | 5,553.95          | 12,587.09         | 12,829.99         |
| Railway sidings                  | 2017-18 | 20.68             | -         | -                        | 20.68             | 19.65                         | -                    | -                        | 19.65             | 1.03              | 1.03              |
|                                  | 2016-17 | 20.68             | -         | -                        | 20.68             | 19.65                         | -                    | -                        | 19.65             | 1.03              | 1.03              |
| Plant and Machinery              | 2017-18 | 52,816.24         | 2,341.13  | 1,277.48                 | 53,879.90         | 30,927.73                     | 1,477.51             | 1,039.09                 | 31,366.14         | 22,513.75         | 21,888.51         |
|                                  | 2016-17 | 50,551.57         | 2,523.90  | 259.23                   | 52,816.24         | 29,790.97                     | 1,388.50             | 251.74                   | 30,927.73         | 21,888.51         | 20,760.60         |
| Electrical Machinery             | 2017-18 | 7,913.91          | 384.70    | 0.65                     | 8,297.96          | 4,021.72                      | 597.38               | 0.57                     | 4,618.53          | 3,679.43          | 3,892.19          |
|                                  | 2016-17 | 6,898.76          | 1,015.15  | -                        | 7,913.91          | 3,456.29                      | 565.43               | -                        | 4,021.72          | 3,892.19          | 3,442.47          |
| Furniture & Office Equipments    | 2017-18 | 704.93            | 22.05     | 0.47                     | 726.51            | 441.75                        | 47.53                | 0.43                     | 488.85            | 237.66            | 263.18            |
|                                  | 2016-17 | 673.24            | 31.69     | -                        | 704.93            | 390.80                        | 50.95                | -                        | 441.75            | 263.18            | 282.44            |
| Vehicles                         | 2017-18 | 708.38            | 49.76     | 43.56                    | 714.58            | 513.69                        | 46.75                | 29.61                    | 530.83            | 183.76            | 194.69            |
|                                  | 2016-17 | 709.51            | 10.85     | 11.98                    | 708.38            | 470.85                        | 54.76                | 11.92                    | 513.69            | 194.69            | 238.66            |
| <b>Total - Tangible Assets</b>   | 2017-18 | 83,389.98         | 3,191.46  | 2,003.55                 | 84,577.89         | 41,558.31                     | 2,684.60             | 1,424.68                 | 42,818.23         | 41,759.65         | 41,831.67         |
|                                  | 2016-17 | 79,811.68         | 3,849.51  | 271.21                   | 83,389.98         | 39,235.84                     | 2,591.31             | 268.84                   | 41,558.31         | 41,831.67         | 40,575.84         |
| Capital work in progress         | 2017-18 | 1,101.88          | 3,080.27  | 3,191.67                 | 990.48            | -                             | -                    | -                        | -                 | 990.48            | 1,101.88          |
|                                  | 2016-17 | 2,234.61          | 2,744.22  | 3,876.95                 | 1,101.88          | -                             | -                    | -                        | -                 | 1,101.88          | 2,234.61          |
| Computer software                | 2017-18 | 1,138.61          | 161.60    | -                        | 1,300.21          | 592.45                        | 105.60               | -                        | 698.05            | 602.16            | 546.16            |
|                                  | 2016-17 | 700.17            | 438.44    | -                        | 1,138.61          | 550.64                        | 41.81                | -                        | 592.45            | 546.16            | 149.53            |
| <b>Total - Intangible Assets</b> | 2017-18 | 1,138.61          | 161.60    | -                        | 1,300.21          | 592.45                        | 105.60               | -                        | 698.05            | 602.16            | 546.16            |
|                                  | 2016-17 | 700.17            | 438.44    | -                        | 1,138.61          | 550.64                        | 41.81                | -                        | 592.45            | 546.16            | 149.53            |
| <b>Grand Total</b>               | 2017-18 | 84,528.59         | 3,353.06  | 2,003.55                 | 85,878.10         | 42,150.76                     | 2,790.20             | 1,424.68                 | 43,516.28         | 42,361.81         | 42,377.83         |
|                                  | 2016-17 | 80,511.85         | 4,287.95  | 271.21                   | 84,528.59         | 39,786.48                     | 2,633.11             | 268.84                   | 42,150.76         | 42,377.83         | 40,725.37         |

During the year, a property at Chennai, which was self occupied was rented out. Hence, it has been reclassified the same under Investment property.

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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

|   | As at<br>31.03.2018<br>₹ In Lakhs | As at<br>31.03.2017<br>₹ In Lakhs |
|---|-----------------------------------|-----------------------------------|
| <b>7 INVESTMENT IN PROPERTY</b>   |                                   |                                   |
| <b>Gross Block</b>  |                                   |                                   |
| As at the beginning of the year   | 268.31                            | 277.37                            |
| Add: Additions during the year  | 66.80                             | -                                 |
| Less: Sold during the year  | (51.78)                           | (9.06)                            |
| As at the end of the year   | <u>283.33</u>                     | <u>268.31</u>                     |
| <b>Depreciation and impairment</b>  |                                   |                                   |
| As at the beginning of the year   | 224.37                            | 223.71                            |
| Add: Additions during the year  | 13.41                             | -                                 |
| Less: Sold during the year  | (30.51)                           | (4.52)                            |
| Add: Depreciation during the year   | 6.29                              | 5.18                              |
| As at the end of the year   | <u>213.56</u>                     | <u>224.37</u>                     |
| <b>Net Block</b>  |                                   |                                   |
| As at the end of the year   | 69.77                             | 43.94                             |
| <b>Information regarding income and expenditure of Investment property</b>          |                                   |                                   |
| Rental Income from Investment Properties  | 27.20                             | 25.00                             |
| Direct Operating Expenses   | 7.25                              | 4.95                              |
| Profit arising from Investment Properties before Depreciation and indirect expenses | 19.95                             | 20.05                             |
| Less: Depreciation  | 6.29                              | 4.49                              |
| Profit arising from Investment Properties   | 13.66                             | 15.56                             |
| Fair Value of Investment property   | 283.33                            | 268.31                            |

- a. The company's investment properties consist of commercial properties at Kolkatta, Chennai and Pipe plant Building at Maksi.
- b. Out of these, property at Kolkatta was sold during the year. During the year, a property at Chennai, which was self occupied was rented out and it has been reclassified under Investment Property from Plant, Property and Equipment.
- c. The Company has no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- d. The fair valuation of these investment properties are determined by an internal technical team, measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.

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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

8 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

₹ In Lakhs

|           | Name of the Company  | Face Value per share ₹ | As at 31-03-2018 |             | As at 31-03-2017 |             |
|-----------|--|------------------------|------------------|-------------|------------------|-------------|
|           |  |                        | Number           | Amount      | Number           | Amount      |
| <b>A.</b> | <b>Quoted Investment - Fully paid Equity shares</b>                        |                        |                  |             |                  |             |
|           | The Ramco Cements Limited  | 1                      | 5,22,95,020      | 1,95,919.85 | 5,22,95,020      | 186,396.86  |
|           | Rajapalayam Mills Limited  | 1                      | 1,27,360         | 1,102.42    | 1,27,360         | 1056.28     |
|           | Ramco Systems Limited  | 1                      | 54,67,376        | 35,746.22   | 54,67,376        | 35,563.62   |
|           | Sub-Total (A)  |                        |                  | 2,32,768.49 |                  | 2,23,016.76 |
|           | <b>Unquoted Investment - Fully paid Equity shares</b>                      |                        |                  |             |                  |             |
|           | <b>Associate Companies</b>   |                        |                  |             |                  |             |
|           | Ontime Industrial Services Ltd   | 10                     | 50,000           | 158.12      | 50,000           | 149.44      |
|           | Ramco Windfarms Ltd  | 1                      | -                | -           | 2,65,000         | 697.32      |
|           | Madurai Trans carrier Ltd  | 1                      | 3,09,00,000      | 215.80      | 3,09,00,000      | 308.42      |
|           | Lynks Logistics Limited  | 1                      | 19,00,000        | 7.02        | 19,00,000        | 13.11       |
|           | Sub-Total (B)  |                        |                  | 380.94      |                  | 1,168.29    |
|           | Total Investments in Associates C= (A+B)                                   |                        |                  | 2,33,149.43 |                  | 2,24,185.04 |
|           | Aggregate Market Value of Quoted Investments                               |                        |                  | 3,77,711.00 |                  | 2,86,982.48 |
| <b>B.</b> | <b>Other Investment</b>  |                        |                  |             |                  |             |
|           | <b>Quoted Investment - Fully paid Equity shares (designated at FVTOCI)</b> |                        |                  |             |                  |             |
|           | Indian Bank  | 10                     | 1,391            | 4.17        | 1,391            | 3.87        |
|           | HDFC Limited   | 2                      | 1,79,200         | 3,271.48    | 1,79,200         | 2,691.76    |
|           | HDFC Bank Limited  | 2                      | 5,500            | 103.74      | 5,500            | 79.34       |
|           | DHFL Vysya Housing Finance Limited   | 10                     | 30,000           | 3.00        | 30,000           | 3.00        |
|           | Sub-Total (A)  |                        |                  | 3,382.39    |                  | 2,777.97    |
|           | <b>Investments in Mutual Funds (measured at FVTPL)</b>                     |                        |                  |             |                  |             |
|           | HDFC Mutual Fund   | 10                     | 1,00,000.00      | 33.51       | 1,00,000         | 29.32       |
|           | Sub-Total (B)  |                        |                  | 33.51       |                  | 29.32       |
|           | <b>Investments in Government or Trust Securities</b>                       |                        |                  |             |                  |             |
|           | National Savings Certificate   |                        |                  | 0.52        |                  | 0.52        |
|           | Sub-Total (C)  |                        |                  | 0.52        |                  | 0.52        |
|           | <b>III. Other Non-Current Investments, Non-Trade - Unquoted</b>            |                        |                  |             |                  |             |
|           | Ramco Industries Employees Co-op Stores Limited                            |                        | 2,500.00         | 0.02        |                  | 0.02        |
|           | Sub-Total (D)  |                        |                  | 0.02        |                  | 0.02        |
|           | <b>Total Other Investments (A+B+C+D)</b>                                   |                        |                  | 3,416.44    |                  | 2,807.83    |

During the year, the company purchased 75000 shares of Ramco Windfarm Limited and sold its entire holding of 3,40,000 shares

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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

|   | As at<br>31.03.2018<br>₹ In Lakhs | As at<br>31.03.2017<br>₹ In Lakhs |
|---|-----------------------------------|-----------------------------------|
| <b>9 LOANS AND OTHER FINANCIAL ASSETS [NON CURRENT]</b>   |                                   |                                   |
| Security Deposit with Electricity Board   | 555.59                            | 652.31                            |
|   | <u>555.59</u>                     | <u>652.31</u>                     |
| <b>10 OTHER NON CURRENT ASSETS</b>  |                                   |                                   |
| <b>Secured and considered good</b>  |                                   |                                   |
| Advances towards Capital goods  | 209.87                            | 106.42                            |
| Advances to Others  | 32.49                             | 76.31                             |
| Prepaid Expenses  | 8.64                              | 9.09                              |
|   | <u>251.00</u>                     | <u>191.82</u>                     |
| <b>11 INVENTORIES</b>   |                                   |                                   |
| Rawmaterials  | 15,710.51                         | 16,507.44                         |
| Raw Materials in Transit  | -                                 | 2,090.46                          |
| Work in process   | 2,611.55                          | 1,934.06                          |
| Finished goods  | 9,068.61                          | 12,470.67                         |
| Stock-In Trade  | 5.23                              | -                                 |
| Stores and spares   | 1,047.90                          | 1,175.97                          |
| Asset held for Sale   | 7.11                              | 7.11                              |
|   | <u>28,450.91</u>                  | <u>34,185.71</u>                  |
| a. Inventories are valued as per the Company Policy {Note No 4.1 of Accounting Policy}  |                                   |                                   |
| b. The total carrying cost of inventories as at the reporting date has been pledged as security for borrowings                    |                                   |                                   |
| <b>12 TRADE RECEIVABLES</b>   |                                   |                                   |
| Trade receivables, unsecured, considered good   | 8,950.98                          | 7,166.24                          |
| Trade receivables, unsecured, considered doubtful   | 447.60                            | 679.31                            |
| Trade receivables, provision for doubtful   | (447.60)                          | (679.31)                          |
|   | <u>8,950.98</u>                   | <u>7,166.24</u>                   |
| a. Trade receivables are non-interest bearing and are generally on terms of 30 to 45 days.  |                                   |                                   |
| b. No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. |                                   |                                   |
| c. The total carrying amount of trade receivables has been pledged as security for Borrowings.                                    |                                   |                                   |
| <b>13 CASH AND CASH EQUIVALENTS</b>   |                                   |                                   |
| Cash on Hand  | 9.05                              | 10.60                             |
| Balance with Bank Current Account   | 2,235.66                          | 1,633.05                          |
| Margin Money  | 1,066.88                          | 9.40                              |
| Fixed Deposit   | 1,038.89                          | 3,846.60                          |
| Balance with Bank - Unpaid Dividend Warrant Account   | 15.99                             | 17.00                             |
|   | <u>4,366.47</u>                   | <u>5,516.65</u>                   |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

|  | As at<br>31.03.2018<br>₹ In Lakhs | As at<br>31.03.2017<br>₹ In Lakhs |
|--|-----------------------------------|-----------------------------------|
| <b>14 OTHER FINANCIAL ASSETS [Current]</b> |                                   |                                   |
| Security Deposit - Others                  | 208.57                            | 203.80                            |
| Asset - Foreign exchange forward contracts | 16.14                             | 3.69                              |
| Government Grants receivable               | -                                 | 315.24                            |
|  | <u>224.71</u>                     | <u>522.73</u>                     |

Government Grants receivable include:

- Government of West Bengal - NIL ( as at 31.03.2017 - ₹63.13 lakhs)
- Government of Bihar - NIL (as at 31.03.2017 - ₹252.11 lakhs)

No amount was received as Grant during this year. Incentive scheme under GST regime from 1<sup>st</sup> July 2017 onwards is yet to be finalised by the respective State Governments.

|                                |                 |                 |
|--------------------------------|-----------------|-----------------|
| <b>15 OTHER CURRENT ASSETS</b> |                 |                 |
| Tax Credit - Indirect Taxes    | 444.57          | 798.74          |
| Advance to Suppliers           | 776.67          | 1,877.08        |
| Advance to Employees           | 12.43           | 53.34           |
| Prepaid Expenses               | 229.41          | 216.49          |
| Other Current Assets           | 203.17          | 288.15          |
|                                | <u>1,666.25</u> | <u>3,233.80</u> |

**16. EQUITY SHARE CAPITAL**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

Reconciliation of the number of shares:

| Particulars   | As at 31-03-2018 |                 | As at 31-03-2017 |                 |
|---|------------------|-----------------|------------------|-----------------|
|   | No. of Shares    | Amount in lakhs | No. of Shares    | Amount in lakhs |
| Authorised Capital                                      | 20,00,00,000     | 2,000.00        | 20,00,00,000     | 2,000.00        |
| Issued & Subscribed and Fully paid shares of ₹ 1/- each | 8,66,63,060      | 866.63          | 8,66,63,060      | 866.63          |
| Number of Shares at the beginning                       | 866,63,060       | 866.63          | 8,66,63,060      | 866.63          |
| Number of Shares at the end                             | 8,66,63,060      | 866.63          | 8,66,63,060      | 866.63          |

The details of Shareholders holding more than 5% shares :

| Name of the Shareholder   | As at 31st MAR 2018 |        | As at 31st March 2017 |        |
|---------------------------|---------------------|--------|-----------------------|--------|
|                           | No. of Shares       | % held | No. of Shares         | % held |
| The Ramco Cements Ltd     | 1,33,72,500         | 15.43  | 1,33,72,500           | 15.43  |
| Rajapalayam Mills Limited | 79,20,680           | 9.14   | 79,20,680             | 9.14   |
| Shri.P.R.Venketrama Raja  | 62,20,655           | 7.18   | 55,00,000             | 6.35   |
| Smt.Saradha Deepa         | 62,20,655           | 7.18   | 55,00,000             | 6.35   |
| Smt.Nalina Ramalakshmi    | 63,00,655           | 7.27   | 55,80,000             | 6.44   |
|                           | 4,00,35,145         | 46.20  | 3,78,73,180           | 43.71  |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

16-A. OTHER EQUITY

For the year ended 31st March 2018

| Particulars                   | Reserves & Surplus |               |                   |                 | Items of OCI  |                       | Total       |
|-------------------------------|--------------------|---------------|-------------------|-----------------|---------------|-----------------------|-------------|
|                               | Capital Reserve    | Share premium | Retained earnings | General Reserve | FVTOCI-Equity | Actuarial (Loss)/gain |             |
| As at 1st April 2017          | 1,76,675.97        | 209.53        | 49,091.82         | 42,195.15       | 2,727.70      | (165.77)              | 2,70,734.40 |
| Adjustments                   | (685.78)           | -             | (11.54)           | -               | -             | -                     | (697.32)    |
| Profit for the period         | -                  | -             | 17,602.28         | -               | -             | -                     | 17,602.28   |
| Other comprehensive income    | -                  | -             | -                 | -               | 542.41        | 67.99                 | 610.40      |
| Total Comprehensive Income    | 1,75,990.19        | 209.53        | 66,682.56         | 42,195.15       | 3,270.11      | (97.98)               | 2,88,249.76 |
| Issue of Share Capital        | -                  | -             | -                 | -               | -             | -                     | -           |
| Transfer to General Reserve   | -                  | -             | (1,100.00)        | 1,100.00        | -             | -                     | -           |
| Transfer to Retained Earnings | -                  | -             | (97.78)           | -               | -             | 97.78                 | -           |
| Transaction costs             | -                  | -             | -                 | (134.10)        | -             | -                     | (134.10)    |
| Cash dividends                | -                  | -             | (433.30)          | -               | -             | -                     | (433.30)    |
| As at 31st March 2018         | 1,75,990.19        | 209.53        | 65,484.78         | 42,727.75       | 3,270.11      | -                     | 2,87,682.36 |

For the year ended 31<sup>st</sup> March, 2017

| Particulars                   | Reserves & Surplus |               |                   |                 | Items of OCI  |                       | Total       |
|-------------------------------|--------------------|---------------|-------------------|-----------------|---------------|-----------------------|-------------|
|                               | Capital Reserve    | Share premium | Retained earnings | General Reserve | FVTOCI-Equity | Actuarial (Loss)/gain |             |
| As at 1st April 2016          | 1,77,686.77        | 209.53        | 29,515.86         | 42,030.46       | 2,035.44      | (34.57)               | 2,51,443.49 |
| Adjustments                   | (1,010.80)         | -             | -                 | -               | -             | -                     | (1,010.80)  |
| Profit for the period         | -                  | -             | 20,475.96         | -               | -             | -                     | 20,475.96   |
| Other comprehensive income    | -                  | -             | -                 | -               | 692.26        | (131.20)              | 561.06      |
| Total Comprehensive Income    | 1,76,675.97        | 209.53        | 49,991.82         | 42,030.46       | 2,727.70      | (165.77)              | 2,71,469.71 |
| Issue of share capital        | -                  | -             | -                 | -               | -             | -                     | -           |
| Transfer to general reserve   | -                  | -             | (900.00)          | 900.00          | -             | -                     | -           |
| Transfer to Retained Earnings | -                  | -             | -                 | -               | -             | -                     | -           |
| Transaction costs             | -                  | -             | -                 | (735.31)        | -             | -                     | (735.31)    |
| Cash dividends                | -                  | -             | -                 | -               | -             | -                     | -           |
| As at 31st March 2017         | 1,76,675.97        | 209.53        | 49,091.82         | 42,195.15       | 2,727.70      | (165.77)              | 2,70,734.40 |

**Capital Reserve**

Represents the difference between the shares allotted to the Share Holders of Transferor Company and Net Worth acquired from Transferor Company as per scheme of Amalgamation.

Adjustment during the year is towards 2,65,000 shares of ₹ 1 each of Ramco Windfarms Limited has been sold to M/s Vishnu Shankar Mills Ltd at the face value. As per IND-AS the shares which were revalued on 01.04.2015 has been reversed during the year in capital reserve of to the tune of ₹685.78 Lakhs and ₹11.54 lakhs from retained earnings

**Securities Premium Reserve**

Represents excess of share subscription money received over par value of shares.

**General reserve**

The general reserve is used from time to time to transfer profits from retained earnings. There is no policy of regular transfer.

**Retained earnings**

Represents that portion of the net income of the Company that has been retained by the Company.

**FVTOCI Reserve**

Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

|  | As at<br>31.03.2018<br>₹ In Lakhs | As at<br>31.03.2017<br>₹ In Lakhs |
|--|-----------------------------------|-----------------------------------|
| <b>17 BORROWINGS [NON CURRENT]</b>   |                                   |                                   |
| Secured:   |                                   |                                   |
| Term Loan from Banks   | 5,570.44                          | 6,452.49                          |
|  | <u>5,570.44</u>                   | <u>6,452.49</u>                   |
| a. Term Loan from Banks are secured by pari-passu first charge on all movable Fixed Assets of the Company.   |                                   |                                   |
| b. The Long Term Borrowings from Banks are repayable in quarterly installments. The year wise repayment is as follows:   |                                   |                                   |
| 2021-22  | 109.23                            | 109.22                            |
| 2020-21  | 2,457.68                          | 510.87                            |
| 2019-20  | 3,009.54                          | 1,990.23                          |
| 2018-19  | -                                 | 3,859.23                          |
| Processing charges to be absorbed over the period of loan  | (6.01)                            | (17.06)                           |
|  | <u>5,570.44</u>                   | <u>6,452.49</u>                   |
| <b>18 DEFERRED TAX LIABILITY (NET)</b>   |                                   |                                   |
| Deferred Tax Liability   |                                   |                                   |
| Tax effect on difference between book depreciation and depreciation under the Income Tax Act 1961  | 5,983.71                          | 5,110.96                          |
| Tax effect on Fair Value measurement and Other Items allowable under the Income Tax Act, 1961  | 1.00                              | (30.42)                           |
| <b>Deferred Tax Asset</b>  |                                   |                                   |
| Tax effect on unabsorbed depreciation under Income Tax Act, 1961   | (2,066.77)                        | (3,086.31)                        |
| Tax effect on Provision for Bonus and Leave Encashment   | (380.84)                          | (426.84)                          |
| Disallowances under the Income Tax Act, 1961.  | (173.00)                          | (155.95)                          |
| Net Deffered Tax Liability   | <u>3,364.10</u>                   | <u>1,411.44</u>                   |
| <b>Reconciliation of Deferred tax Liabilities (net)</b>  |                                   |                                   |
| Opening Balance as on 1 <sup>st</sup> April  | 1,411.44                          | 516.60                            |
| Tax Income / (Expense) during the period recognised in Profit & Loss Account   | 1,952.66                          | (894.84)                          |
| Deferred tax effect on Componentisation of Asset   | -                                 | -                                 |
| Closing Balance as on 31 <sup>st</sup> March   | <u>3,364.10</u>                   | <u>1,411.44</u>                   |
| <b>19 DEFERRED GOVERNMENT GRANTS</b>   |                                   |                                   |
| Deferred Government Grants   | 150.83                            | 162.53                            |
|  | <u>150.83</u>                     | <u>162.53</u>                     |
| Industrial Promotion Assistance (IPA) provided by Department of Industries, Government of Bihar {₹134.31 Lakhs} and Government of West Bengal {₹150.00 Lakhs} towards creation of infrastructure facilities is recognised as "Industrial Promotion Assistance" over the useful life of the underlying PPE.                     |                                   |                                   |
| <b>20 BORROWINGS [CURRENT]</b>   |                                   |                                   |
| Secured:   |                                   |                                   |
| Loan from banks  | 4,503.27                          | 5,592.47                          |
| Unsecured:   |                                   |                                   |
| Loan from banks  | 8,500.00                          | 17,818.35                         |
|  | <u>13,003.27</u>                  | <u>23,410.82</u>                  |
| Borrowings from Banks are secured by pari-passu charge on trade receivables and inventories of the Company, present and future.  |                                   |                                   |
| <b>21 TRADE PAYABLES</b>   |                                   |                                   |
| Trade Payables   | 4,932.69                          | 6,200.00                          |
|  | <u>4,932.69</u>                   | <u>6,200.00</u>                   |
| a. Trade payables are non-interest bearing and are normally settled on 10 to 30 days, except where credit term as per contractual is more than 30 days.  |                                   |                                   |
| b. There are no dues to micro and small enterprises as at 31-03-2018 (PY: ₹ NIL). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. |                                   |                                   |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

|  | As at<br>31.03.2018<br>₹ In Lakhs | As at<br>31.03.2017<br>₹ In Lakhs |
|--|-----------------------------------|-----------------------------------|
| <b>22 OTHER FINANCIAL LIABILITIES [CURRENT]</b>  |                                   |                                   |
| Current Maturities of Long Term Debt - Secured   | 2,679.99                          | 3,750.00                          |
| Unpaid dividends   | 16.02                             | 16.84                             |
| Financial Guarantee Obligation   | 40.95                             | 40.76                             |
| Security Deposit from Customers  | 2,808.97                          | 2,741.83                          |
| Liability - Foreign exchange forward contracts   | -                                 | 378.49                            |
| Other Liabilities  | 2,978.59                          | 4,207.01                          |
|  | <u>8,524.52</u>                   | <u>11,134.93</u>                  |
| a. Foreign exchange forward contracts are purchased to mitigate the risk of changes in foreign exchange rates with certain payables / receivables in foreign currencies.   |                                   |                                   |
| b. The Company has recognised financial guarantee obligation at fair value towards the corporate guarantees issued to the bankers on behalf of Related parties, and the same is recognised as other income over the tenure of the corporate guarantee.   |                                   |                                   |
| <b>23 OTHER CURRENT LIABILITIES</b>  |                                   |                                   |
| Statutory Duties and Taxes recovery repayable  | 1,325.38                          | 1,380.75                          |
| Advance received from Customers  | 1,090.55                          | 1,475.80                          |
|  | <u>2,415.93</u>                   | <u>2,856.55</u>                   |
| <b>24 PROVISIONS [CURRENT]</b>   |                                   |                                   |
| Provision for Leave encashment   | 618.29                            | 583.63                            |
| Provision for Gratuity   | 149.34                            | 347.60                            |
| Provision for Taxation   | 4,243.96                          | 2,172.34                          |
|  | <u>5,011.59</u>                   | <u>3,103.57</u>                   |
| a) The Company provides for expense towards compensated absences provided to its employees. The expense is recognised at the present value of the amount payable determined based on an independent external actuarial valuation as at the balance sheet date, using Projected Unit Credit Method  |                                   |                                   |
| b) The Company maintains Gratuity Fund with LIC of India. The Company provides for expenses towards gratuity to its employees. The expense is recognised at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit Method.  |                                   |                                   |
| <b>25 REVENUE FROM OPERATIONS</b>  | <b>2017-18</b><br>₹ In Lakhs      | 2016-17<br>₹ In Lakhs             |
| Sale Revenue   | 95,665.21                         | 94,363.63                         |
| <b>Other operating revenue</b>   |                                   |                                   |
| Industrial promotion assistance  | 11.69                             | 835.74                            |
| Income from Wind power generation {Net of inter-divisional transfer of ₹ 1646.53 lakhs ( Previous year ₹1527.92 lakhs)}  | 206.01                            | 200.22                            |
|  | <u>95,882.91</u>                  | <u>95,399.59</u>                  |
| (a) As per the Guidance Note on Division II, Ind AS Schedule III to the Companies Act, 2013 issued by ICAI, Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they have to be excluded from revenue. On the other hand, the recovery of excise duty is an inflow that the entity receives on its own account since the Company acts as a principal in collecting the excise duty and therefore the revenue has to be grossed up to include excise duty. |                                   |                                   |
| (b) Goods and Service Tax (GST) has been effective from 01-07-2017. Consequently, Excise Duty, Value Added Tax (VAT), Service Tax etc. have been replaced with GST. Until 30-06-2017, 'Sale of Products' and 'Scrap Sales' include the amount of Excise Duty recovered on Sales. With effect from 01-07-2017, 'Sale of Products' and 'Scrap Sales' excludes the amount of GST recovered. Accordingly, Revenue from 'Sale of Products', 'Scrap Sales' and 'Revenue from Operations' for the year  |                                   |                                   |



**CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES**

**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

|  | 2017-18<br>₹ In Lakhs | 2016-17<br>₹ In Lakhs |
|--|-----------------------|-----------------------|
| ended 31-03-2018 are not comparable with those of the previous year. However, the revenue from operations net of duties and taxes is furnished as below:   |                       |                       |
| Revenue from Operations (net of GST and VAT)   | 95,665.21             | 94,363.63             |
| Less: Excise Duty  | 2,677.88              | 7,324.44              |
| Revenue from Operations, net of duties and taxes   | <u>92,987.33</u>      | <u>87,039.19</u>      |
| (c) Industrial Promotion Assistance from:  |                       |                       |
| - Government of Bihar - NIL [Previous year - ₹824.04 lakhs]  |                       |                       |
| - Deferred Grant recognised as income -₹11.69 lakhs [Previous year-₹11.70 lakhs]   |                       |                       |
| (d) Out of 299.64 Lakhs units [Previous Year 326.07 Lakhs units] generated by our Windmills, 79.32 Lakh units [Previous Year 54.50 Lakh units] were sold to concerned State Electricity Board. 244.22 Lakh units [Previous Year 237.97 Lakh Units] were consumed at our plant and 10.04 Lakh units [Previous Year 33.60 Lakh units] remain unadjusted. |                       |                       |
| <b>26 OTHER INCOME</b>   |                       |                       |
| Dividend Income  | 1,612.84              | 38.68                 |
| Profit on Sale of Assets   | 161.53                | -                     |
| Other Miscellaneous Income   | 478.31                | 358.64                |
|  | <u>2,252.68</u>       | <u>397.32</u>         |
| <b>27 OTHER FINANCIAL INCOME</b>   |                       |                       |
| Interest Income  | 866.31                | 670.45                |
|  | <u>866.31</u>         | <u>670.45</u>         |
| <b>28 COST OF MATERIALS CONSUMED</b>   |                       |                       |
| Material consumed for Building Products  | 41,285.64             | 41,971.41             |
| Material consumed for Textile Products   | 7,595.05              | 6,492.07              |
|  | <u>48,880.69</u>      | <u>48,463.48</u>      |
| <b>29 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>   |                       |                       |
| Closing Stock of Finished Goods  | 9,068.61              | 12,470.67             |
| Closing Stock of Process Stock   | 2,611.55              | 1,934.06              |
|  | <u>11,680.16</u>      | <u>14,404.73</u>      |
| Opening Stock of Finished Goods  | 12,470.67             | 12,377.00             |
| Opening Stock of Process Stock   | 1,934.06              | 2,155.64              |
|  | <u>14,404.73</u>      | <u>14,532.64</u>      |
| (Increase) / Decrease  | 2,724.57              | 127.91                |
| ED on stock variance   | (1,437.70)            | 28.61                 |
| (Increase) / Decrease  | <u>1,286.87</u>       | <u>156.52</u>         |
| <b>30 EMPLOYEE BENEFIT EXPENSES</b>  |                       |                       |
| Salaries and wages   | 6,871.84              | 6,541.23              |
| Contribution to and provision for  |                       |                       |
| - Provident Fund   | 468.52                | 459.69                |
| - Gratuity Fund  | 145.25                | 106.32                |
| - Superannuation Fund  | 29.57                 | 27.98                 |
| - Staff welfare  | 546.30                | 544.60                |
|  | <u>8,061.48</u>       | <u>7,679.82</u>       |

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

|   | 2017-18<br>₹ In Lakhs | 2016-17<br>₹ In Lakhs |
|---|-----------------------|-----------------------|
| <b>31 FINANCE COSTS</b>   |                       |                       |
| Interest on Bank borrowings                                     | 1,751.02              | 2,122.72              |
| Others  | 260.76                | 1,065.20              |
| Exchange difference regarded as an adjustment to borrowing cost | 153.76                | 184.02                |
|   | <u>2,165.54</u>       | <u>3,371.94</u>       |

Others includes Interest on Security deposit from Customers.

### 32 OTHER EXPENSES

#### Manufacturing Expenses

|   |          |          |
|---|----------|----------|
| Stores Consumed                               | 2,026.64 | 1,827.83 |
| Power & Fuel ( net off power from Wind Mills) | 5,151.28 | 4,998.94 |
| Repairs & Maintenance - Building              | 275.94   | 184.26   |
| Repairs & Maintenance - General               | 374.58   | 341.93   |
| Repairs & Maintenance - Plant & Machinery     | 2,943.21 | 2,894.61 |

#### Establishment Expenses

|   |        |        |
|---|--------|--------|
| Repairs & Maintenance - Vehicle / Aircraft    | 439.28 | 349.74 |
| Insurance                                     | 118.47 | 108.56 |
| Travelling expenses                           | 681.14 | 727.86 |
| Rates & Taxes                                 | 850.87 | 641.02 |
| Exchange fluctuation in foreign currency loss | 17.11  | 174.10 |
| Rent  | 216.14 | 205.28 |
| Managerial Remuneration                       | 279.25 | 313.07 |
| Printing & Stationery                         | 51.66  | 44.43  |
| Communication Expenses                        | 91.23  | 104.50 |
| Corporate Social Responsibility               | 119.06 | 83.67  |
| Legal & Consultancy Expenses                  | 343.61 | 289.68 |
| Loss on Sale of Assets                        | 1.28   | 5.92   |
| Directors Sitting fees                        | 17.19  | 15.51  |
| Audit Fees & Expenses [see Note No.34]        | 31.02  | 27.03  |

#### Selling & Distribution Expenses

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Agency Commission                    | 615.91           | 383.99           |
| Advertisement Expenses               | 613.44           | 754.94           |
| Bad and Doubtful Debts               | 131.71           | 78.66            |
| Transportation and Handling Expenses | 6,726.43         | 4,736.19         |
| Miscellaneous Expenses               | 1,013.10         | 638.54           |
|                                      | <u>23,129.55</u> | <u>19,930.26</u> |

Details of CSR expenditure are furnished in Annexure II of the Director's report.

### 33 EXCEPTIONAL ITEMS

|                          |                 |                 |
|--------------------------|-----------------|-----------------|
| Profit on Sale of Assets | 1,264.97        | 78.82           |
| Profit on Sale of shares | -               | 1,089.66        |
|                          | <u>1,264.97</u> | <u>1,168.48</u> |

During the year, land, buildings and plant & machinery at Kharagpur were sold for ₹1700 lakhs.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

|   | 2017-18<br>₹ In Lakhs | 2016-17<br>₹ In Lakhs |
|---|-----------------------|-----------------------|
| <b>34 AUDIT FEES AND EXPENSES</b>   |                       |                       |
| 1. Statutory Auditors:  |                       |                       |
| a. for statutory audit  | 13.67                 | 13.47                 |
| b. for Taxation matters   | 2.82                  | 2.76                  |
| c. for certification work and other related fee   | 2.50                  | 1.47                  |
| d. for other fee and reimbursement of expenses  | 7.03                  | 4.33                  |
| 2. Cost Auditor:  |                       |                       |
| a. for Cost audit   | 2.50                  | 2.50                  |
| 3. Secretarial Auditor  |                       |                       |
| a. for Secretarial Audit  | 2.50                  | 2.50                  |
|   | 31.02                 | 27.03                 |
| <b>35 INCOME TAX EXPENSES</b>   |                       |                       |
| <b>Reconciliation Tax Expenses and Accounting Profit</b>  |                       |                       |
| Accounting Profit before Income Tax   | 9,903.13              | 7,312.90              |
| At India's statutory Income Tax Rate of 34.608% (2016-17:34.608%)                                     | 3,427.28              | 2,530.85              |
| <b>Effects of</b>   |                       |                       |
| Tax effects on differences between book depreciation and depreciations under the Income Tax act ,1961 | (459.51)              | (690.01)              |
| Profit/ (Loss) on sale of Property, Plant & Equipment   | (492.10)              | (406.87)              |
| Dividend from Foreign Company   | (532.48)              | (1,301.25)            |
| Utilisation of previously unrecognised tax losses   | (1,557.54)            | (211.86)              |
| Other non-deductible expenses   | (385.65)              | 79.14                 |
| Net Effective income tax under regular method (A)   | -                     | -                     |
| <b>B. 115BBD Tax working (Spl Rate of Tax)</b>  |                       |                       |
| Dividend from Foreign Company - (2017:18.304) (2016:17.304)   | 1,538.59              | 3,759.96              |
| Net effective income tax u/s 115BBD (B)   | 266.24                | 650.63                |
| <b>Income Tax Under MAT</b>   |                       |                       |
| Accounting Profit before Income Tax   | 9,903.13              | 7,312.90              |
| At India's statutory Income Tax Rate of 21.3416% for 2017-18 (2016-17:21.3416%) including interest    | 2,179.34              | 1,560.69              |
| Adjustments as per Income Tax   | (293.75)              | (29.54)               |
| Net effective income tax (C)  | 1,885.59              | 1,531.15              |
| <b>Tax applicable higher A and B and C</b>  | 1,885.59              | 1,531.15              |
| Previous year tax adjustment  | 452.17                | (188.94)              |
|   | 2,337.76              | 1,342.21              |
| Tax Amount for Srilankan Subsidiary   | 576.44                | 977.35                |
| Total   | 2,914.20              | 2,319.56              |
| <b>Deferred Tax Recognised in the statement of Profit and Loss</b>                                    |                       |                       |
| Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961"   | 879.98                | 690.01                |
| Tax effect on Fair Value Measurement and other non deductible expenses                                | 66.23                 | (37.94)               |
| Tax effect on unabsorbed depreciation under Income Tax Act, 1961"                                     | 967.51                | 211.84                |
|   | 1,913.72              | 863.91                |
| Tax Amount for Srilankan Subsidiary   | 45.10                 | 111.00                |
| <b>Total</b>  | 1,958.82              | 974.91                |
| <b>MAT Credit</b>   |                       |                       |
| Net effective income tax excluding interest   | 1,819.74              | 1,531.15              |
| Income tax expenses under Regular Method  | 266.24                | 650.63                |
| <b>MAT Credit</b>   | (1,553.50)            | (880.52)              |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

₹ In Lakhs

|     |  |                            |                            |
|-----|--|----------------------------|----------------------------|
| 36. | <b>Commitments</b>   | <b>As at<br/>31-3-2018</b> | <b>As at<br/>31-3-2017</b> |
|     | Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Capital Advances) | 606.07                     | 422.57                     |

|     |  |                            |                            |
|-----|--|----------------------------|----------------------------|
| 37. | <b>Financial guarantees</b>  | <b>As at<br/>31-3-2018</b> | <b>As at<br/>31-3-2017</b> |
|     | Guarantees given to banks to avail loan facilities by Related parties: |                            |                            |
|     | - Thanjavur Spinning Mill Limited                                      | 3,500.00                   | 3,500.00                   |
|     | - Sri Harini Textiles Limited  | 4,629.00                   | 4,629.00                   |

38. Disclosure of Interests in Subsidiary

| Name of the entity                           | Place of Business / Country of Incorporation | Principal activities of Business   |
|--|--|------------------------------------|
| Sudharsanam Investments Limited              | India  | Investments in Securities          |
| Sri Ramco Lanka (Private) Ltd (SRL)          | Srilanka                                     | Manufacturer of Building materials |
| Sri Ramco Roofing Lanka (Private) Ltd (SRRL) | Srilanka                                     | Manufacturer of Building materials |

| Particular                           | Sudharsanam | SRL    | SRRL  |
|--------------------------------------|-------------|--------|-------|
| <b>As at 31-03-2018</b>              |             |        |       |
| Ownership Interest held by the Group | 100.00%     | 99.99% | 1.27% |
| Non-Controlling Interest (NCI)       | -           | -      | -     |
| <b>As at 31-03-2017</b>              |             |        |       |
| Ownership Interest held by the Group | 100.00%     | 99.99% | 1.27% |
| Non-Controlling Interest (NCI)       | -           | -      | -     |

The Summarised separate financial information of subsidiary is as below

A. Sudharsanam Investments Limited

| Balance Sheet                     | As at 31-03-2018 | As at 31-03-2017 |
|-----------------------------------|------------------|------------------|
| Non -Current Assets               | 1,286.25         | 1,286.25         |
| Current assets                    | 1.35             | 2.16             |
| <b>Total Assets</b>               | <b>1,287.60</b>  | <b>1,288.41</b>  |
| Non-current liabilities           | 461.93           | 511.04           |
| Current liabilities               | 0.23             | 0.03             |
| <b>Total Liabilities</b>          | <b>462.16</b>    | <b>511.08</b>    |
| <b>Total Equity</b>               | <b>825.44</b>    | <b>777.34</b>    |
| Profit and Loss                   | 2017-18          | 2016-17          |
| Revenue                           | 89.48            | 0.18             |
| Profit for the year               | 48.10            | -42.18           |
| Other comprehensive income        | -                | -                |
| <b>Total comprehensive income</b> | <b>48.10</b>     | <b>-42.18</b>    |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

₹ In Lakhs

| Summarised Cash flow  | As at 31-03-2018 | As at 31-03-2017 |
|---|------------------|------------------|
| Cash flows from operating activities                          | (40.90)          | (41.60)          |
| Cash flows from investing activities                          | 89.48            | 0.18             |
| Cash flows from financing activities                          | (49.12)          | 42.25            |
| <b>Net Increase / (Decrease) in cash and cash equivalents</b> | <b>(0.54)</b>    | <b>0.83</b>      |

**B. Sri Ramco Lanka (Private) Ltd**

| Balance Sheet   | As at 31-03-2018  | As at 31-03-2017 |
|---|-------------------|------------------|
| Non -Current Assets   | 5,808.00          | 5,666.42         |
| Current assets  | 4,000.59          | 2,977.96         |
| <b>Total Assets</b>   | <b>9,808.59</b>   | <b>8,644.38</b>  |
| Non-current liabilities                                       | 191.13            | 242.15           |
| Current liabilities   | 1,265.22          | 1,622.71         |
| <b>Total Liabilities</b>                                      | <b>1,456.35</b>   | <b>1,864.86</b>  |
| <b>Total Equity</b>   | <b>8,352.24</b>   | <b>6,779.52</b>  |
| <b>Profit and Loss</b>  |                   |                  |
| Revenue   | 8,602.36          | 12,204.53        |
| Profit for the year   | 1,470.26          | 3,383.16         |
| Other comprehensive income                                    | -                 | -                |
| <b>Total comprehensive income</b>                             | <b>1,470.26</b>   | <b>3,383.16</b>  |
| <b>Summarised Cash flow</b>                                   |                   |                  |
| Cash flows from operating activities                          | (293.41)          | 3,031.38         |
| Cash flows from investing activities                          | 322.48            | 1,733.20         |
| Cash flows from financing activities                          | (1,541.93)        | (4,219.43)       |
| <b>Net Increase / (Decrease) in cash and cash equivalents</b> | <b>(1,512.86)</b> | <b>(202.15)</b>  |

**C. Sri Ramco Roofing Lanka (Private) Ltd**

| Balance Sheet   | As at 31-03-2018 | As at 31-03-2017 |
|---|------------------|------------------|
| Non -Current Assets   | 2,605.10         | 2,705.68         |
| Current assets  | 5,614.47         | 4,979.58         |
| <b>Total Assets</b>   | <b>8,219.57</b>  | <b>7,685.26</b>  |
| Non-current liabilities                                       | 155.03           | 143.08           |
| Current liabilities   | 799.27           | 971.80           |
| <b>Total Liabilities</b>                                      | <b>954.30</b>    | <b>1,114.88</b>  |
| <b>Total Equity</b>   | <b>7,265.27</b>  | <b>6,570.38</b>  |
| <b>Profit and Loss</b>  |                  |                  |
| Revenue   | 7,060.37         | 8,720.82         |
| Profit for the year   | 1,115.11         | 1,794.57         |
| Other comprehensive income                                    | -                | -                |
| <b>Total comprehensive income</b>                             | <b>1,115.11</b>  | <b>1,794.57</b>  |
| <b>Summarised Cash flow</b>                                   |                  |                  |
| Cash flows from operating activities                          | 690.80           | 1,726.89         |
| Cash flows from investing activities                          | 94.05            | 246.88           |
| Cash flows from financing activities                          | (425.30)         | (1,855.50)       |
| <b>Net Increase / (Decrease) in cash and cash equivalents</b> | <b>359.55</b>    | <b>38.96</b>     |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

39 Disclosure of Interests in Associates under equity methods

| Name of the Associates               | Location | Principal activities of Business |
|--------------------------------------|----------|----------------------------------|
| <b>Material Associates</b>           |          |                                  |
| The Ramco Cements Limited (TRCL)     | India    | Manufacturer of Cements          |
| Ramco Systems Limited (RSL)          | India    | Software development             |
| Rajapalayam Mills Limited (RML)      | India    | Manufacturer of Cotton yarn      |
| <b>Immaterial Associates</b>         |          |                                  |
| Madurai Trans Carrier limited (MTCL) | India    | Aircraft charter service         |
| Lynks Logistics Limited (LLL)        | India    | Goods transport service          |
| Ontime Industrial Services Limited   | India    | Goods transport service          |

| Name of the Associates             | % of ownership interest |            |
|------------------------------------|-------------------------|------------|
|                                    | 31-03-2018              | 31-03-2017 |
| The Ramco Cements Limited          | 22.44                   | 20.71      |
| Ramco Systems Limited              | 17.90                   | 17.98      |
| Rajapalayam Mills Limited          | 1.80                    | 1.80       |
| Ramco Windfarms Limited            | -                       | 2.65       |
| Ontime Industrial Services Limited | 17.77                   | 17.77      |
| Madurai Trans Carrier Limited      | 17.17                   | 17.17      |
| Lynks Logistics Limited            | 0.46                    | 2.71       |

Summarised financial information for Associates

The summarised consolidated financial statements of the material associates are as below:

₹ In Lakhs

| Balance sheet             | Non-current Assets | Investment in Associates | Current Assets | Non-current Liabilities | Current Liabilities | Total Equity |
|---------------------------|--------------------|--------------------------|----------------|-------------------------|---------------------|--------------|
| <b>As at 31-03-2018</b>   |                    |                          |                |                         |                     |              |
| The Ramco Cements Limited | 5,65,696           | 20,064                   | 1,30,042       | 1,19,331                | 1,85,643            | 4,10,828     |
| Ramco Systems Limited     | 44,290             | 125                      | 32,420         | 1,846                   | 19,531              | 55,457       |
| Rajapalayam Mills Limited | 32,662             | 1,38,030                 | 18,729         | 7,644                   | 21,764              | 1,60,013     |
| <b>As at 31-03-2017</b>   |                    |                          |                |                         |                     |              |
| The Ramco Cements Limited | 5,46,481           | 18,392                   | 1,42,178       | 1,24,763                | 2,02,548            | 3,79,740     |
| Ramco Systems Limited     | 40,218             | 111                      | 27,923         | 1,571                   | 12,607              | 54,074       |
| Rajapalayam Mills Limited | 33,648             | 1,29,280                 | 21,031         | 10,709                  | 24,426              | 1,48,824     |

Note: The above financial information is appended to determine the share of interest in associates.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

₹ In Lakhs

| Profit and Loss              | TRCL      |           | RSL       |           | RML       |           |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
|                              | 31-3-2018 | 31-3-2017 | 31-3-2018 | 31-3-2017 | 31-3-2018 | 31-3-2017 |
| Total Revenue                | 4,61,643  | 4,62,125  | 47,894    | 45,632    | 43,589    | 41,457    |
| Profit before tax            | 79,128    | 85,691    | 3,413     | (3,060)   | 1,409     | 3,785     |
| Tax expenses                 | 23,106    | 20,270    | 2,270     | (4,132)   | (381)     | 250       |
| Profit after tax             | 56,022    | 65,421    | 1,143     | 1,072     | 1,790     | 3,535     |
| Share of profit in Associate | 354       | 977       | 14        | 15        | 9,649     | 10,984    |
| OCI                          | (90)      | (42)      | (108)     | (55)      | (26)      | (12)      |
| TCI                          | 56,286    | 66,356    | 1,049     | 1,032     | 11,466    | 14,507    |

OCI: Other Comprehensive Income; TCI: Total Comprehensive Income.

Share of contingent liabilities in respect of associates

| Name of the Associates    | 31-03-2018 | 31-03-2017 |
|---------------------------|------------|------------|
| The Ramco Cements Limited | 1,104.63   | 22,659.23  |
| Ramco Systems Limited     | 746.37     | 684.01     |
| Rajapalayam Mills Limited | 835.50     | 96.52      |

Reconciliation to the carrying amount of investment in associates as on 31.03.2018

| Profit & Loss  | TRCL       |            | RSL        |            | RML        |            |
|--|------------|------------|------------|------------|------------|------------|
|  | 31-03-2018 | 31-03-2017 | 31-03-2018 | 31-03-2017 | 31-03-2018 | 31-03-2017 |
| Entity TCI   | 56,286     | 66,356     | 1,129      | 1,067      | 11,466     | 12,758     |
| Entity Adjusted TCI  | 55,066     | 65,216     | 1,020      | 1,011      | 2,847      | 12,694     |
| Effective Shareholding %   | 22.44%     | 22.20%     | 17.90%     | 17.98%     | 1.80%      | 1.80%      |
| Associates Share of Profit / OCI                                   | 12,357     | 14,481     | 183        | 182        | 51         | 228        |
| Less: Unrealised Profit on Inter company Transactions (net of tax) |            |            |            |            |            |            |
| Amount recognised in P&L   | 12,357     | 14,481     | 183        | 182        | 51         | 228        |
| Reconciliation   |            |            |            |            |            |            |
| Opening Carrying Cost  | 1,86,397   | 1,71,916   | 35,564     | 35,666     | 1,056      | 2,013      |
| Less: Treasury Share Adjustment                                    |            |            |            |            |            |            |
| Add: Fair value of Corporate Guarantee Obligation given            |            |            |            |            |            |            |
| Add: Associates share of Profit / OCI                              | 12,357     | 14,481     | 183        | 182        | 51         | 228        |
| Less: Sale / Reversal of OCI Share                                 | 1,265      |            | -          | 285        | -          | 1,185      |
| Less: Dividend Received  | 1,569      |            |            |            | 5          |            |
| Net Carrying Amount  | 1,95,920   | 1,86,397   | 35,746     | 35,564     | 1,102      | 1,056      |

Note:

- Adjusted TCI represents total comprehensive income of the entity after eliminating effects of reciprocal interests and unrealised profits
- Effective shareholdings represent the aggregate of direct holding and indirect holding through fellow associates

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

The Group's aggregate share of profit and other comprehensive income in its individually immaterial associates are furnished below:

₹ In Lakhs

| Aggregate amounts of Group's share of: | 31-03-2018 | 31-03-2017 |
|--|------------|------------|
| Profit after Tax                       | (1,817.87) | 13.03      |
| Other Comprehensive Income             | 4.10       | (0.25)     |
| Total Comprehensive Income             | (1,813.77) | 12.78      |

#### 40 Earnings per Share

| Particulars   | 31-3-2018 | 31-3-2017 |
|---|-----------|-----------|
| Net profit after tax (A)  | 17,602.28 | 20,475.96 |
| Weighted average number of Equity shares after adjusting treasury shares (B) [In Lakhs] | 835.58    | 835.58    |
| Nominal value per equity share (in ₹)   | 1         | 1         |
| Basic & Diluted Earnings per share (A)/(B) in ₹   | 21.07     | 24.51     |

Treasury shares of 31.05 lakhs shares (Previous year 31.05 lakhs shares) compiled based on holdings through fellow associate

#### 41. Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31<sup>st</sup> March 2018:

##### (a) Associates

| Name of the Company                | Country of Incorporation | % of Shareholding as at |            |
|------------------------------------|--------------------------|-------------------------|------------|
|                                    |                          | 31-03-2018              | 31-03-2017 |
| The Ramco Cements Limited          | India                    | 22.44                   | 20.71      |
| Ramco Systems Limited              | India                    | 17.90                   | 17.98      |
| Rajapalayam Mills Limited          | India                    | 1.80                    | 1.80       |
| Ramco windfarms Limited            | India                    | -                       | 2.65       |
| Ontime Industrial Services Limited | India                    | 17.77                   | 17.77      |
| Madurai Trans Carrier Limited      | India                    | 17.17                   | 17.17      |
| Lynks Logistics Limited            | India                    | 0.46                    | 2.71       |

##### (b) Key Management Personnel (including KMP under Companies Act, 2013)

| Name of the Key Management Personnel     | Designation                          |
|--|--------------------------------------|
| P.R. Ramasubrahmaneya Rajha              | Chairman (upto 11-05-2017)           |
| P.R. Venketrama Raja                     | Chairman (from 04-06-2017)           |
| P.V. Abinav Ramasubramaniam Raja         | Managing Director (from 04-06-2017)  |
| Prem G Shanker                           | Chief Executive Officer              |
| K. Sankaranarayanan                      | Chief Financial Officer              |
| S. Balamurugasundaram                    | Company Secretary & Sr. G.M. (Legal) |
| S.S. Ramachandra Raja                    | Independent Director                 |
| K.T. Ramachandran                        | Independent Director                 |
| N.K. Shrikantan Raja                     | Independent Director                 |
| R.S. Agarwal                             | Independent Director                 |
| V. Santhanaraman                         | Independent Director                 |
| Smt. Justice Chitra Venkataraman (Retd.) | Independent Director                 |



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**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**(c) Relative of Key Management Personnel**

| Name of the Relative of KMP      | Relationship                       |
|----------------------------------|------------------------------------|
| P.V. Abinav Ramasubramaniam Raja | Son of P.R. Venketrama Raja        |
| P.V. Nirmala                     | Wife of P.R. Venketrama Raja       |
| R. Sudarsanam                    | Mother of P.R. Venketrama Raja     |
| P.V. Srisandhya                  | Daughter of P.R. Venketrama Raja   |
| Ramaraju                         | Son in Law of P.R. Venketrama Raja |
| S. Saradha Deepa                 | Sister of P.R. Venketrama Raja     |
| R. Nalina Ramalakshmi            | Sister of P.R. Venketrama Raja     |

**(d) Companies over which KMP/Relatives of KMP exercise significant influence**

|  |  |
|--|--|
| Ramco Company                                    | R. Sudarsanam & Co                             |
| Gowrihouse Metal Works                           | Gowri Shankar Screws                           |
| Timeous, USA                                     | Lotus Knitting Mills                           |
| Sudarasana Farms Private Limited                 | Rajapalayam Farms Private Limited              |
| Ramco Private Limited                            | Sri Sandhya Farms (India) Private Limited      |
| Ramamandiram Agricultural Estate Private Limited | Nalina Agricultural Farms Private Limited      |
| Sri Saradha Deepa Farms Private Limited          | Sri Nithyalakshmi Farms Private Limited        |
| Nirmala Shankar Farms & Estates Private Limited  | Ram Sandhya Farms Private Limited              |
| RCDC Securities and Investments Private Limited  | Ramco Management Private Limited               |
| Ramco Agencies Private Limited                   | Barefoot Dance Company Private Limited         |
| Sound Investment & Leasing Private Limited       | Satmala Agro-Farms Private Limited             |
| Bharani Bio-Tech Private Limited                 | Parimala Chemicals Private Limited             |
| Pranahita Power Generation Private Limited       | Barefoot Media & Entertainment Private Limited |
| The Ramco Cements Limited                        | Rajapalayam Mills Ltd                          |
| The Ramaraju Surgical Cotton Mills Ltd           | Sri Vishnu Shankar Mills Ltd                   |
| Sandhya Spinning Mill Ltd                        | Rajapalayam Textile Ltd                        |
| Ramco Systems Limited                            | Lynks Logistics Limited                        |
| Vincent Chemilab Private Limited                 | JKR Enterprise Limited                         |
| Shri Harini Media Limited                        | Shri Harini Textiles Limited                   |
| Thanjavur Spinning Mills Limited                 |  |

**(e) Employee Benefit Funds where control exists**

|  |
|--|
| Ramco Industries Limited Officers' Superannuation Fund |
| Ramco Industries Limited Employees' Gratuity Fund      |

**(f) Other entities over which there is a significant influence**

|  |  |
|--|--|
| Smt. Lingammal Ramaraju Shastra Prathishta Trust | The Ramco Cements Limited Educational and Charitable Trust |
| PACR Sethurammam Charity Trust                   | PACR Sethurammam Charities                                 |
| Ramco Welfare Trust                              | PAC Ramasamy Raja Education Charity Trust                  |
| Raja Charity Trust                               | Rajapalayam Rotary Trust                                   |
| Sri Abhinava Vidhyatheertha Seva Trust           | Ramco Debate And Research Educational And Charitable Trust |
| Sastra Prakasika Trust                           | PAC Ramasamy Raja Centenary Trust                          |
| Thangavilas Estate                               |  |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

42. Disclosure in respect of Related Party Transactions (excluding Reimbursements) during the year and outstanding balances including commitments as at the reporting date:

a. Transactions during the year

₹ in Lakhs

| S.No.        | Nature of Transaction, Name of the Related Party and Relationship                 | 31-03-2018      | 31-03-2017     |
|--------------|---|-----------------|----------------|
| 1            | <b>Sale of Goods</b>  |                 |                |
|              | <b>Associates</b>   |                 |                |
|              | The Ramco Cements Limited   | 7.36            | 32.72          |
|              | Rajapalayam Mills Limited   | 175.80          | 159.98         |
|              | <b>Companies over which KMP / Relatives of KMP exercise significant influence</b> |                 |                |
|              | Rajapalayam Textile Limited   | 698.88          | 479.80         |
|              | The Ramaraju Surgical Cotton Mills Limited  | 56.82           | 178.82         |
|              | Sri Vishnu Shankar Mill Limited   | 596.17          | 254.70         |
|              | Sandhya Spinning Mill Limited   | 375.04          | 9.73           |
|              | Sri Harini Textiles Limited   | 64.77           | 92.09          |
|              | Thanjavur Spinning Mill Limited   | 37.47           | 219.16         |
|              | <b>Other entities over which there is a significant influence</b>                 |                 |                |
|              | Raja Charity Trust  | -               | 6.05           |
|              | P A C Ramasamy Raja Education Charity Trust                                       | 0.92            | -              |
|              | PACR Sethurammam Charity Trust  | 0.31            | -              |
| <b>Total</b> | <b>2,013.54</b>   | <b>1,433.05</b> |                |
| 2            | <b>Sale of Goods - Cement</b>   |                 |                |
|              | <b>Associates</b>   |                 |                |
|              | The Ramco Cements Limited   | 3672.05         | 3545.10        |
|              | <b>Total</b>  | <b>3672.05</b>  | <b>3545.10</b> |
| 3            | <b>Sale of asset of Cement Grinding Plant in Kharagpur</b>                        |                 |                |
|              | <b>Associates</b>   |                 |                |
|              | The Ramco Cements Limited   | 2113.05         | -              |
| <b>Total</b> | <b>2113.05</b>  | <b>-</b>        |                |
| 4            | <b>Purchase of Goods - Clinker</b>  |                 |                |
|              | <b>Associates</b>   |                 |                |
|              | The Ramco Cements Limited   | 1607.67         | 1732.75        |
|              | <b>Total</b>  | <b>1607.67</b>  | <b>1732.75</b> |
| 5            | <b>Purchase of Goods - Flyash</b>   |                 |                |
|              | <b>Associates</b>   |                 |                |
|              | The Ramco Cements Limited   | 37.12           | -              |
|              | <b>Total</b>  | <b>37.12</b>    | <b>-</b>       |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

₹ in Lakhs

| S.No. | Nature of Transaction, Name of the Related Party and Relationship                 | 31-03-2018     | 31-03-2017     |
|-------|---|----------------|----------------|
| 6     | <b>Purchase of Goods</b>  |                |                |
|       | <b>Associates</b>   |                |                |
|       | The Ramco Cements Limited   | 1000.63        | 1269.01        |
|       | Rajapalayam Mills Limited   | 649.44         | 461.40         |
|       | Ramco Windfarms Limited   | 176.40         | 152.76         |
|       | <b>Companies over which KMP / Relatives of KMP exercise significant influence</b> |                |                |
|       | The Ramaraju Surgical Cotton Mills Limited  | 59.36          | 137.61         |
|       | Sri Vishnu Shankar Mills Limited  | 903.70         | 336.12         |
|       | Sandhya Spinning Mill Limited   | 603.31         | 410.78         |
|       | Rajapalayam Textile limited   | 63.32          | 149.75         |
|       | Thanjavur Spinning Mill Limited   | 11.60          | 134.86         |
|       | Vincent Chemilab Private Limited  | 49.01          | -              |
|       | JKR Enterprise Limited  | 3.76           | -              |
|       | <b>Other entities over which there is a significant influence</b>                 |                |                |
|       | PACR Sethurammam Charity Trust  | 20.88          | 12.01          |
|       | <b>Total</b>  | <b>3541.41</b> | <b>3064.30</b> |
| 7     | <b>Receiving of Services</b>  |                |                |
|       | <b>Associates</b>   |                |                |
|       | Rajapalayam Mills Limited   | 4.42           | -              |
|       | <b>Companies over which KMP / Relatives of KMP exercise significant influence</b> |                |                |
|       | Sri Vishnu Shankar Mills Limited  | -              | 4.06           |
|       | Sandhya Spinning Mill Limited   | 0.95           | 0.21           |
|       | The Ramaraju Surgical Cotton Mills Limited  | -              | 1.44           |
|       | <b>Other entities over which there is a significant influence</b>                 |                |                |
|       | Raja Charity Trust  | 615.91         | 384.02         |
|       | <b>Total</b>  | <b>621.28</b>  | <b>389.73</b>  |
| 8     | <b>Services Rendered</b>  |                |                |
|       | <b>Associates</b>   |                |                |
|       | Rajapalayam Mills Limited   | 104.56         | 1.12           |
|       | <b>Companies over which KMP / Relatives of KMP exercise significant influence</b> |                |                |
|       | Rajapalayam Textile Limited   | -              | 0.47           |
|       | The Ramaraju Surgical Cotton Mills Limited  | 3.55           | 1.90           |
|       | Sandhya Spinning Mill Limited   | 2.16           | 5.96           |
|       | Thanjavur Spinning Mill Limited   | -              | 2.28           |
|       | Sri Vishnu Shankar Mills Limited  | 0.38           | 1.23           |
|       | <b>Total</b>  | <b>110.65</b>  | <b>12.96</b>   |
| 9     | <b>Receiving of Services - Software Related Services</b>                          |                |                |
|       | <b>Associates</b>   |                |                |
|       | Ramco Systems Limited   | 292.47         | 625.49         |
|       | <b>Total</b>  | <b>292.47</b>  | <b>625.49</b>  |

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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

₹ in Lakhs

| S.No.        | Nature of Transaction, Name of the Related Party and Relationship                 | 31-03-2018      | 31-03-2017    |
|--------------|---|-----------------|---------------|
| 10           | <b>Receiving of Services - Advertisement</b>                                      |                 |               |
|              | <b>Companies over which KMP / Relatives of KMP exercise significant influence</b> |                 |               |
|              | Shri Harini Media Limited   | 4.73            | 4.55          |
|              | <b>Total</b>  | <b>4.73</b>     | <b>4.55</b>   |
| 11           | <b>Rendering of Services - Manpower Supply</b>                                    |                 |               |
|              | <b>Other entities over which there is a significant influence</b>                 |                 |               |
|              | Raja Charity Trust  | 180.90          | 103.42        |
|              | <b>Total</b>  | <b>180.90</b>   | <b>103.42</b> |
| 12           | <b>Leasing Arrangements - Rent Received</b>                                       |                 |               |
|              | <b>Associates</b>   |                 |               |
|              | The Ramco Cements Limited   | 0.69            | 0.42          |
|              | <b>Other entities over which there is a significant influence</b>                 |                 |               |
|              | Sri Abhinava Vidhyatheertha Seva Trust  | 0.03            | 0.03          |
|              | <b>Total</b>  | <b>0.72</b>     | <b>0.45</b>   |
| 13           | <b>Dividend received</b>  |                 |               |
|              | <b>Associates</b>   |                 |               |
|              | The Ramco Cements Limited   | 1568.85         | -             |
|              | Rajapalayam Mills Limited   | 5.09            | -             |
|              | <b>Total</b>  | <b>1,573.94</b> | <b>-</b>      |
| 14           | <b>Dividend Paid</b>  |                 |               |
|              | <b>Associates</b>   |                 |               |
|              | The Ramco Cements Limited   | 66.86           | -             |
|              | Rajapalayam Mills Limited   | 39.60           | -             |
|              | <b>Other entities over which there is a significant influence</b>                 |                 |               |
|              | The Ramaraju Surgical Cotton Mills Limited  | 0.68            | -             |
|              | <b>Key Management Personnel</b>   |                 |               |
|              | P.R. Venketrama Raja, Chairman  | 31.10           | -             |
|              | P.V.Abinav Ramasubramaniam Raja, Managing Director                                | 0.20            | -             |
|              | Prem G shanker  | 0.05            | -             |
| <b>Total</b> | <b>138.49</b>   | <b>-</b>        |               |
| 15           | <b>Remuneration to Key Management Personnel (Other than Sitting Fees)</b>         |                 |               |
|              | P.R. Venketrama Raja, Chairman  | 72.68           | 313.07        |
|              | P.V.Abinav Ramasubramaniam Raja, Managing Director                                | 206.57          | -             |
|              | Prem G Shanker, Chief Executive Officer   | 172.35          | 137.60        |
|              | K. Sankaranarayanan, Chief Financial Officer                                      | 58.48           | 54.35         |
|              | S. Balamurugasundaram, Company Secretary & Sr. GM (Legal)                         | 25.04           | 21.69         |
|              | <b>Total</b>  | <b>535.12</b>   | <b>526.71</b> |

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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

₹ in Lakhs

| S.No.                   | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2018   | 31-03-2017     |
|-------------------------|---|--|----------------|
| 16                      | <b>Directors' Sitting Fees</b>                                    |  |                |
|                         | <b>Key Management Personnel</b>                                   |  |                |
|                         | P.R. Ramasubrahmaneya Rajha                                       | -  | 1.50           |
|                         | P.R. Venketrama Raja, Chairman                                    | 2.25   | -              |
|                         | P.V. Abinav Ramasubramaniam Raja                                  | 1.00   | -              |
|                         | S.S. Ramachandra Raja   | 1.25   | 0.75           |
|                         | N.K. Shrikantan Raja  | 2.00   | 1.75           |
|                         | K.T. Ramachandran   | 2.00   | 2.75           |
|                         | R.S. Agarwal  | 3.50   | 3.25           |
|                         | V. Santhanarman   | 1.50   | 1.25           |
|                         | Smt. Justice Chitra Venkataraman (Retd.)                          | 2.75   | 2.25           |
|                         | <b>Total</b>  | <b>16.25</b>                                       | <b>13.50</b>   |
|                         | 17  | <b>Investment in Equity shares during the year</b> |                |
| <b>Associates</b>       |   |  |                |
| Ramco Windfarms Limited |   | 0.75   | -              |
| <b>Total</b>            |   | <b>0.75</b>  | <b>-</b>       |
| 18                      | <b>Sale of Share during the year</b>                              |  |                |
|                         | <b>Other entities over which there is a significant influence</b> |  |                |
|                         | Sri Vishnu Shankar Mills Limited                                  | 3.40   | -              |
|                         | <b>Key Management Personnel</b>                                   |  |                |
|                         | P.R. Venketrama Raja  | -  | 1263.05        |
|                         | <b>Total</b>  | <b>3.40</b>  | <b>1263.05</b> |
| 19                      | <b>Contribution to Superannuation Fund / Gratuity Fund</b>        |  |                |
|                         | <b>Employee Benefit Funds where Control Exists</b>                |  |                |
|                         | Ramco Industries Limited Officers' Superannuation Fund            | 29.57  | 27.98          |
|                         | Ramco Industries Limited Employees' Gratuity Fund                 | 45.71  | 227.26         |
|                         | <b>Total</b>  | <b>75.28</b>                                       | <b>255.24</b>  |

b. Outstanding balances including commitments

| S.No | Nature of Outstanding Balances, Name of the Related Party and Relationship        | 31-03-2018   | 31-03-2017   |
|------|---|--------------|--------------|
| 1    | <b>Trade Receivables</b>  |              |              |
|      | <b>Companies over which KMP / Relatives of KMP exercise significant influence</b> |              |              |
|      | Vinvent Chemilab Private Limited  | 4.76         | -            |
|      | <b>Total</b>  | <b>4.76</b>  | <b>-</b>     |
| 2    | <b>Payables</b>   |              |              |
|      | <b>Other entities over which there is a significant influence</b>                 |              |              |
|      | Raja Charity Trust  | 39.25        | 15.22        |
|      | <b>Companies over which KMP / Relatives of KMP exercise significant influence</b> |              |              |
|      | <b>Total</b>  | <b>39.25</b> | <b>15.22</b> |

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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

₹ in Lakhs

| S.No | Nature of Outstanding Balances, Name of the Related Party and Relationship        | 31-03-2018      | 31-03-2017      |
|------|---|-----------------|-----------------|
| 3    | <b>Other Financial Liabilities</b>  |                 |                 |
|      | <b>Associates</b>   |                 |                 |
|      | The Ramco Cement Limited  | 0.29            | 0.29            |
|      |   | 0.29            | 0.29            |
| 4    | <b>Corporate Guarantees given to lenders of Related parties</b>                   |                 |                 |
|      | <b>Companies over which KMP / Relatives of KMP exercise significant influence</b> |                 |                 |
|      | Thanjavur Spinning Mill Limited   | 3,500.00        | 3,500.00        |
|      | Sri Harini Textiles Limited   | 4,629.00        | 4,629.00        |
|      | <b>Total</b>  | <b>8,129.00</b> | <b>8,129.00</b> |

Note: The above outstanding balances at the respective reporting dates are unsecured and settlement occurs in cash or through provision of goods / services, in case of unadjusted advances.

Disclosure of Key Management Personnel compensation in total and for each of the following categories:

| Particulars  | 31-3-2018     | 31-3-2017     |
|--|---------------|---------------|
| Short - Term Benefits (1)                          |               |               |
| Defined Contribution Plan (2)                      | 535.12        | 526.72        |
| Defined Benefit Plan / Other Long-term benefits(3) |               |               |
| <b>Total</b>                                       | <b>535.12</b> | <b>526.72</b> |

1. It includes bonus, sitting fees, and value of perquisites.
2. It includes contribution to Provident fund and Superannuation fund
3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

43. Disclosure of Fair value measurements

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

Financial Instruments by category

| Particulars                  | Amortised Cost | FVTPL | FVTOCI | Carrying Amount | Fair Value |
|------------------------------|----------------|-------|--------|-----------------|------------|
| <b>As at 31-3-2018</b>       |                |       |        |                 |            |
| <b>Financial Assets</b>      |                |       |        |                 |            |
| Other Investments            | 2,807.83       | 4.20  | 604.41 | 3416.44         | 3416.44    |
| Loans and Advances           | -              | -     | -      | -               | -          |
| Trade Receivables            | 8,950.98       | -     | -      | 8,950.98        | 8,950.98   |
| Cash and Bank Balances       | 4,366.47       | -     | -      | 4,366.47        | 4,366.47   |
| Other Financial Assets       | 780.30         | -     | -      | 780.30          | 780.30     |
| <b>Financial Liabilities</b> |                |       |        |                 |            |
| Borrowings                   | 21,253.70      | -     | -      | 21,253.70       | 21,253.70  |
| Trade Payables               | 4,924.74       | -     | -      | 4,924.74        | 4,924.74   |
| Other Financial Liabilities  | 8,524.52       | -     | -      | 8,524.52        | 8,524.52   |

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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

₹ in Lakhs

| Particulars                  | Amortised Cost | FVTPL | FVTOCI | Carrying Amount | Fair Value |
|------------------------------|----------------|-------|--------|-----------------|------------|
| <b>As at 31-3-2017</b>       |                |       |        |                 |            |
| <b>Financial Assets</b>      |                |       |        |                 |            |
| Other Investments            | 2,070.70       | 3.75  | 733.38 | 2,807.83        | 2,807.83   |
| Loans and Advances           | -              | -     | -      | -               | -          |
| Trade Receivables            | 7,166.24       | -     | -      | 7,166.24        | 7,166.24   |
| Cash and Bank Balances       | 5,516.65       | -     | -      | 5,516.65        | 5,516.65   |
| Other Financial Assets       | 1,175.04       | -     | -      | 1,175.04        | 1,175.04   |
| <b>Financial Liabilities</b> |                |       |        |                 |            |
| Borrowings                   | 33,613.31      | -     | -      | 33,613.31       | 33,613.31  |
| Trade Payables               | 6,200.22       | -     | -      | 6,200.22        | 6,200.22   |
| Other Financial Liabilities  | 11,134.93      | -     | -      | 11,134.93       | 11,134.93  |

**Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The details of financial instruments that are measured at fair value on recurring basis are given below:

| Particulars                                    | Level 1 | Level 2 | Level 3 | Total   |
|--|---------|---------|---------|---------|
| <b>Financial Instruments at FVTOCI</b>         |         |         |         |         |
| <b>Investments in listed equity securities</b> |         |         |         |         |
| As at 31-3-2018                                | 604.41  | -       | -       | 604.41  |
| As at 31-3-2017                                | 733.38  | -       | -       | 733.38  |
| <b>Actuarial Values</b>                        |         |         |         |         |
| As at 31-3-2018                                | -       | -       | 67.99   | 67.99   |
| As at 31-3-2017                                | -       | -       | -131.20 | -131.20 |
| <b>Financial Instruments at FVTPL</b>          |         |         |         |         |
| <b>Investment in mutual funds</b>              |         |         |         |         |
| As at 31-3-2018                                | 4.19    | -       | -       | 4.19    |
| As at 31-3-2017                                | 3.76    | -       | -       | 3.76    |
| <b>Foreign exchange forward contracts</b>      |         |         |         |         |
| As at 31-3-2018                                | -       | 16.14   | -       | 16.14   |
| As at 31-3-2017                                | -       | -374.80 | -       | -374.80 |

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### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Valuation techniques used to determine the fair value

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

| Nature of Financial Instrument                 | Valuation Technique        | Remarks   |
|--|----------------------------|---|
| Investment in Listed securities / Mutual Funds | Market Value               | Closing Price as at 31 <sup>st</sup> March in Stock Exchange                                |
| Investment in Unlisted securities              | Adjusted Net Assets        | Net Assets plus Cost Savings in operations of business based on Discounted cash flow method |
| Foreign exchange forward contracts             | Mark to Market             | Based on MTM valuations provided by the Banker  |
| Financial Guarantee Obligation                 | Differential Interest Rate | Interest rates quote have been obtained from the Banker                                     |

#### 44. Financial Risk Management

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has the following financial risks:

| Categories of Risk | Nature of Risk                              |
|--------------------|---|
| Credit Risk        | Receivables                                 |
|                    | Financial Instruments and Cash deposits     |
| Liquidity Risk     | Fund Management                             |
| Market Risk        | Foreign Currency Risk                       |
|                    | Cash flow and fair value interest rate risk |

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

#### Credit Risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

#### Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company maintains adequate security deposits from its customers in case of wholesale and retail segment. The exposures with the Government are generally unsecured but they are considered as good. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:



**CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES**

**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

₹ in Lakhs

| As at 31-3-2018  | RIL      | SRL    | TOTAL    |
|--|----------|--------|----------|
| Gross carrying amount                                  | 8,777.53 | 600.88 | 9,378.41 |
| Expected Loss Rate                                     | 4.87%    |        | 4.56%    |
| Expected Credit Losses                                 | 427.43   |        | 427.43   |
| Carrying amount of trade receivables net of impairment | 8,350.10 | 600.88 | 8,950.98 |

| As at 31-3-2017  | RIL      | SRL    | TOTAL    |
|--|----------|--------|----------|
| Gross carrying amount                                  | 7,196.27 | 285.92 | 7,482.19 |
| Expected Loss Rate                                     | 4.39%    |        | 4.22%    |
| Expected Credit Losses                                 | 315.95   |        | 315.95   |
| Carrying amount of trade receivables net of impairment | 6,880.32 | 285.92 | 7,166.24 |

**Financial Instruments and Cash deposits**

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short term and medium term deposits placed with banks, and also investments made in mutual funds. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

**Liquidity Risk**

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

**Financial arrangements**

The Company has access to the following undrawn borrowing facilities:

| Particulars                         | 31-03-2018 | 31-03-2017 |
|-------------------------------------|------------|------------|
| Expiring within one year            |            |            |
| Bank Overdraft and other facilities | 36,549.97  | 25,585.00  |
| Term Loans                          | 2,063.00   | 7,063.00   |
| Expiring beyond year                |            |            |
| Term Loans                          | -          | -          |

**Maturities of Financial Liabilities**

| Nature of Financial Liability                | < 1 Year  | 1 - 5 Years | >5 years | Total     |
|--|-----------|-------------|----------|-----------|
| <b>As at 31-3-2018</b>                       |           |             |          |           |
| Borrowings from Banks                        | 15,683.27 | 5,570.44    | -        | 21,253.71 |
| Trade payables                               | 4,932.69  |             |          | 4,932.69  |
| Security Deposits payable                    | 2,808.97  |             |          | 2,808.97  |
| Other Financial Liabilities (Incl. Interest) | 8,524.52  |             |          | 8,524.52  |
| <b>As at 31-3-2017</b>                       |           |             |          |           |
| Borrowings from Banks                        | 27,166.11 | 6,452.49    | -        | 33,618.60 |
| Trade payables                               | 6,200.20  | -           | -        | 6,200.20  |
| Security Deposits payable                    | 2,741.83  | -           | -        | 2,741.83  |
| Other Financial Liabilities                  | 11,134.93 | -           | -        | 11,134.93 |

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

#### Foreign Currency Risk

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of raw material, capital goods and spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contract after taking into consideration the anticipated Foreign exchange inflows/ outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

The Company's exposure to foreign currency risk (un-hedged) as detailed below:

| Currency        | Trade Payables | Trade and other Receivables | Balance with Banks | Foreign Currency Loan |
|-----------------|----------------|-----------------------------|--------------------|-----------------------|
| USD in Millions |                |                             |                    |                       |
| As at 31-3-2018 | 2.97           | 0.63                        | 0.05               | 1.99                  |
| As at 31-3-2017 | 3.52           | -                           | -                  | 1.33                  |
| LKR in Million  |                |                             |                    |                       |
| As at 31-3-2018 | -              | -                           | -                  | -                     |
| As at 31-3-2017 |                | 112.40                      | -                  | -                     |

#### Risk sensitivity on foreign currency fluctuation

| Foreign Currency | 31-3-2018    |             | 31-3-2017   |             |
|------------------|--------------|-------------|-------------|-------------|
|                  | 1 % Increase | 1% decrease | 1% increase | 1% decrease |
| USD              | 27.19        | (-)27.19    | (-) 33.51   | 33.51       |
| LKR              | 3.93         | (-)3.93     | -5.01       | 5.01        |

#### Cash flow and fair value interest rate risk

Interest rate risk arises from long term borrowings with variable rates which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/ floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position.

#### Interest rate risk exposure

₹ in Lakhs

| Particulars              | 31-3-2018 | 31-3-2017 |
|--------------------------|-----------|-----------|
| Variable rate borrowings | 13,003.28 | 15,347.31 |
| Fixed rate borrowings    | 8,256.44  | 18,288.35 |

The Company does not have any interest rate swap contracts.

#### Sensitivity on Interest rate fluctuation

| Total Interest Cost works out to | 31-3-2018 | 31-3-2017 |
|----------------------------------|-----------|-----------|
| 1% Increase in Interest Rate     | 2,317.83  | 3,380.62  |
| 1% Decrease in Interest Rate     | 1,921.56  | 3,326.58  |

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

#### 45. Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholders' wealth.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus Debt.

₹ in Lakhs

| Particulars                                | 31-03-2018  | 31-03-2017  |
|--|-------------|-------------|
| Long Term Borrowings                       | 5,570.44    | 6,452.49    |
| Current maturities of Long term borrowings | 2,679.99    | 3,750       |
| Short Term Borrowings                      | 13,003.27   | 23,410.82   |
| Less: Cash and Cash Equivalents            | 4,366.47    | 5,516.65    |
| Net Debt (A)                               | 16,887.23   | 28,096.66   |
| Equity Share Capital                       | 866.63      | 866.63      |
| Other Equity                               | 2,87,771.85 | 2,70,734.40 |
| Total Equity (B)                           | 2,88,638.48 | 2,71,601.03 |
| Total Capital Employed (C) = (A) + (B)     | 3,02,845.72 | 2,99,697.69 |
| Capital Gearing Ratio (A) / (C)            | 5.58%       | 9.38%       |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans/borrowing. The Company has been consistently focusing on reduction in long term borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2018 and 31-03-2017.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

46. SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

₹ in Lakhs

As required under Ind AS 108, the Segmentwise Revenue, Results and Capital employed are furnished below:-

| Particulars                                 | Building Products       |                         | Textiles                |                         | Windmill                |                         | Others                  |                         | Consolidated            |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|   | Year Ended<br>31.3.2018 | Year Ended<br>31.3.2017 | Year Ended<br>31.3.2018 | Year Ended<br>31.3.2017 | Year Ended<br>31.3.2018 | Year Ended<br>31.3.2017 | Year Ended<br>31.3.2018 | Year Ended<br>31.3.2017 | Year Ended<br>31.3.2018 | Year Ended<br>31.3.2017 |
| <b>1. Revenue/Income from operations</b>    |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| External Customers                          | 82,340.71               | 81,833.78               | 11,853.55               | 11,461.56               | 1,852.54                | 1,728.14                | 1,482.64                | 1,904.03                | 97,529.44               | 96,927.51               |
| Inter-segment                               | -                       | -                       | -                       | -                       | (1,646.53)              | (1,527.92)              |                         |                         | (1,646.53)              | (1,527.92)              |
| Total Revenue                               | 82,340.71               | 81,833.78               | 11,853.55               | 11,461.56               | 206.01                  | 200.22                  | 1,482.64                | 1,904.03                | 95,882.91               | 95,399.59               |
| <b>2. Results:</b>                          |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Segment results                             |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Unallocated Corporate Expenses              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Operating Profit/ (Loss)                    | 5,737.39                | 9,133.14                | 799.16                  | 1,570.24                | 1,331.58                | 1,219.77                | 12,951.80               | 13,734.77               | 20,819.93               | 25,657.93               |
| Interest expenses                           |                         |                         |                         |                         |                         |                         |                         |                         | 2,165.54                | 3,414.11                |
| Interest Income/ Dividend income            |                         |                         |                         |                         |                         |                         |                         |                         | 1,612.84                | 38.67                   |
| Income Tax - Current (MAT)                  |                         |                         |                         |                         |                         |                         |                         |                         | 2,914.20                | 2,319.56                |
| - Deferred                                  |                         |                         |                         |                         |                         |                         |                         |                         | 1,958.82                | 974.91                  |
| - MAT credit entitlement                    |                         |                         |                         |                         |                         |                         |                         |                         | (1,553.50)              | (880.52)                |
| Profit from Ordinary activities             |                         |                         |                         |                         |                         |                         |                         |                         | 16,947.71               | 19,868.54               |
| Exceptional items                           |                         |                         |                         |                         |                         |                         |                         |                         | 1,264.97                | 1,168.48                |
| Net Profit                                  |                         |                         |                         |                         |                         |                         |                         |                         | 18,212.68               | 21,037.02               |
| <b>3. Other Information</b>                 |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Segment Assets                              | 66,579.01               | 70,002.91               | 14,003.32               | 13,152.57               | 1,774.35                | 1,901.02                | 2,42,201.25             | 2,41,288.76             | 3,24,557.93             | 3,26,345.26             |
| Unallocated corporate assets                |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Total Assets                                | 66,579.01               | 70,002.91               | 14,003.32               | 13,152.57               | 1,774.35                | 1,901.02                | 2,42,201.25             | 2,41,288.76             | 3,24,557.93             | 3,26,345.26             |
| Segment Liabilities                         | 47,476.26               | 57,625.16               | 13,528.83               | 12,017.87               | 475.75                  | 742.63                  | (18,495.77)             | (16,553.66)             | 42,985.07               | 53,832.00               |
| Unallocated corporate liabilities           |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Total Liabilities                           | 47,476.26               | 57,625.16               | 13,528.83               | 12,017.87               | 475.75                  | 742.63                  | (18,495.77)             | (16,553.66)             | 42,985.07               | 53,832.00               |
| Capital Expenditure                         | 2,655.06                | 3,258.51                | 469.47                  | 440.37                  | -                       | -                       | 181.37                  | 582.11                  | 3,305.90                | 4,280.99                |
| Depreciation                                | 2,289.49                | 2,130.48                | 383.61                  | 383.35                  | 114.23                  | 114.30                  | 2.87                    | 4.98                    | 2,790.20                | 2,633.11                |
| Non - cash expenses other than depreciation |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

47 There are no dues to Micro and Small Enterprises as at 31.03.2018 (Previous Year : ₹ Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties having been identified on the basis of information available with the company.

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As per our Report Annexed

For M/s. S.R.S.V. & Associates  
Chartered Accountants  
Firm Registration No. 015041S  
G. CHELLA KRISHNA  
Partner  
Membership No. 210474  
Place: Chennai  
Date : 24<sup>th</sup> May, 2018

For M/s. Ramakrishna Raja and Co  
Chartered Accountants  
Firm Registration No. 005333S  
M.VIJAYAN  
Partner  
Membership No. 026972

For and on behalf of the Board  
P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Sr.G.M.(Legal)

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### RAMCO INDUSTRIES LIMITED

(CIN:L26943TN1965PLC005297)

Regd. Office: 47, P.S.K. Nagar, Rajapalayam - 626 108, Tamil Nadu.

Name of the Member(s) : .....

Registered address : .....

E-mail ID : .....

Folio No/DP ID - Client ID : .....

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name : ..... Address : .....

E-mail Id : ..... Signature : ....., or failing him

2. Name : ..... Address : .....

E-mail Id : ..... Signature : ....., or failing him

3. Name : ..... Address : .....

E-mail Id : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53<sup>rd</sup> Annual General Meeting of the company, to be held on the Friday the 3<sup>rd</sup> August, 2018 at 11.00 AM at P.A.C.R.Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No     | Resolutions   |
|-------------------|---|
| Ordinary Business |   |
| 1                 | Adoption of Financial Statements for the year ended 31 <sup>st</sup> March 2018 |
| 2                 | Declaration of dividend for the year 2017-2018                                  |
| 3                 | Reappointment of Shri S.S. Ramachandra Raja, as Director                        |

*Please see overleaf for Special / Ordinary Resolutions*

### RAMCO INDUSTRIES LIMITED

(CIN:L26943TN1965PLC005297)

Regd. Office: 47, P.S.K. Nagar, Rajapalayam - 626 108, Tamil Nadu.

### ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I/We hereby record my/our presence at the 53<sup>rd</sup> Annual General Meeting of the Company.

Venue : P.A.C.R.Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 108

Date & Time : Friday, the 3<sup>rd</sup> August 2018 at 11:00 AM

Name of the Member \_\_\_\_\_ Folio No/DP ID - Client ID \_\_\_\_\_

Name of the Proxy\* \_\_\_\_\_ Signature of Member/Proxy Attending \_\_\_\_\_

\*(To be filled in, if the proxy attends instead of the Member)

| Special Business |  |
|------------------|--|
| 4                | Reappointment of Shri R.S. Agarwal as an Independent Director  |
| 5                | Reappointment of Shri K.T. Ramachandran as an Independent Director   |
| 6                | Approval for making offer or invitation to subscribe to secured Non-Convertible Debentures   |
| 7                | Ratification of appointment of M/s. Geeyes & Co., Cost Accountants, appointed as Cost Auditors of the Company relating to Fibre Cement Products (FCP & CSB) and Cotton Yarn for the financial year 2018-19 |

Signed this ..... day of ..... 2018

Signature of Shareholder .....

Signature of Proxy holder(s) .....

|                           |
|---------------------------|
| Affix<br>Revenue<br>Stamp |
|---------------------------|

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Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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